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# ***Daily Report***

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## **China**

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# Daily Report China

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1 October 1992

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### Foreign Leaders Send National Day Greetings

OW3009224692 Beijing XINHUA Domestic Service  
in Chinese 1426 GMT 29 Sep 92

[Text] Beijing, 29 Sep (XINHUA)—Over the past few days, state and government leaders of a number of countries have sent message of congratulations to the Chinese party and state leaders expressing their warm congratulations on the PRC's 43d anniversary.

Kim Il-song, general secretary of the Korean Workers Party Central Committee and DPRK president, sent his congratulatory messages to General Secretary Jiang Zemin, President Yang Shangkun, and Chairman Wan Li.

Leaders who sent message of congratulations to President Yang Shangkun are:

President Deby of Chad;  
Queen Margrethe II of Denmark;  
Head of State Rawlings of Ghana;  
President Conte of Guinea;  
President Hashemi-Rafsanjani of Iran;  
President Saddam Husayn of Iraq;  
President al-Hirawi of Lebanon;  
President Gayoom of Maldives;  
President Snegur of Moldova;  
State Law and Order Restoration Council Chairman Than Shwe of Burma;  
President Banbagada of Nigeria;  
Sultan Qabus of Oman;  
President Walesa of Poland;  
President Yeltsin of Russia;  
President Kucan of Slovenia;  
President Zayid of United Arab Emirates;  
Queen Elizabeth II of the United Kingdom;  
President Bush of the United States of America;  
Vice President and Prime Minister Maktum of the United Arab Emirates;  
King Wangchuck of Bhutan.

Leaders who sent messages of congratulations to Premier Li Peng are:

Premier Bird of Antigua and Barbuda;  
Prime Minister Patterson of Jamaica;  
Premier Than Shwe of Burma;  
Prime Minister Bolger of New Zealand.

President Khasbulatov of the Russian Supreme Soviet sent a message of congratulations to Chairman Wan Li.

Kim Il-song's congratulatory message reads: "The establishment of the PRC is the precious fruit of a protracted arduous struggle waged by the Chinese people, a historical event in China's efforts to create a new way of life.

"During the 43 years after the founding of the Republic, the Chinese people, under the CPC's leadership, have overcome various difficulties and trials and have made great progress in socialist construction through hard struggle.

"At this time the Chinese people are working enthusiastically to achieve stability and unity in the whole country and build socialism with Chinese characteristics."

The message says: "The Korean people are glad to see the outstanding success achieved by the Chinese people in making their country prosperous and strong, and they express support for your cause of reunifying the country.

"Continuing to strengthen and develop the traditional relationship of friendship and cooperation is the desire of the peoples of our two countries."

The message concludes: "I firmly believe that with the joint efforts of our two parties, two countries, and two peoples, the deep, historically rooted Korean-Chinese friendship will continue to develop."

In his message to President Yang Shangkun, Ghana's Head of State Rawlings said: "I express my admiration for the Chinese people's dedication and hard-working spirit and the outstanding achievements continuously made by the Chinese people under your wise, effective leadership. I am also happy to see that cooperation between our countries, especially relations of trust and cooperation in the economic field that have been established over a long period, are further improving and benefiting the two peoples."

Iranian President Rafsanjani's message to President Yang Shangkun says: "The friendly relations between our two countries in recent years demonstrates the existence of mutual understanding and good wishes between the leaders of our two countries at a higher level."

In his message to President Yang Shangkun, General Than Shwe, chairman of Burma's State Law and Order Restoration Council, said: "May the friendship and mutually beneficial cooperation existing between our two countries continue to consolidate and strengthen."

Polish President Walesa's message says: "I believe Polish-Chinese relations based on equality, mutual respect, and mutual benefit will continue to develop smoothly in the interest of the two peoples and international peace and cooperation."

Russian President Yeltsin's message to President Yang Shangkun says: "I believe the steady development of our countries' mutually beneficial and cooperative relations is conducive to international peace and security and to strengthening the good-neighborly relations between the Russian and Chinese peoples."

American President Bush's message says: "The cooperation between the United States and China is a key factor for maintaining world peace and stability."

In his message to Premier Li Peng, Antigua and Barbuda Premier Vere Bird says: "Antigua and Barbuda has developed close, friendly ties with the PRC government over the years. I sincerely hope the existing friendship

and cooperation between our two countries will develop and strengthen in the coming years."

New Zealand Premier Bolger's message to Premier Li Peng reads: "New Zealand especially cherishes the existing good relations between our two countries. This year marks the 20th anniversary of the establishment of our diplomatic relations. We have built diversified, solid friendship during the past 20 years. This friendship has strengthened our fast-growing, mutually beneficial economic and trade relations."

In his message to Chairman Wan Li, President Khasbulatov of the Russian Supreme Soviet said: "I hope the existing friendship and traditional relations of mutual respect will continue to grow and consolidate to the benefit the Chinese and Russian peoples."

#### Further on National Day Greetings

OW0110084592 Beijing XINHUA Domestic Service  
in Chinese 1505 GMT 30 Sep 92

[Text] Beijing, 30 Sep (XINHUA)—Over the past few days, more state and government leaders have sent messages of congratulations to Chinese party and state leaders, expressing warm congratulations on the 43d anniversary of the PRC's founding.

Leaders who sent congratulatory message to General Secretary Jiang Zemin, President Yang Shangkun, Premier Li Peng, and Chairman Wan Li are:

Kaysone Phomvihane, chairman of the Lao People's Revolutionary Party and president of the Lao People's Democratic Republic (LPDR); Prime Minister Khamtai Siphandon of the LPDR, and Nouthak Phoumsavan, speaker of LPDR Supreme People's Assembly;

Do Muoi, general secretary of the Central Committee of the Communist Party of the SRV; SRV President Le Duc Anh; SRV Prime Minister Vo Van Kiet; and Nong Duc Chinh, chairman of the SRV National Assembly.

Leaders who sent congratulatory messages to General Secretary Jiang Zemin, President Yang Shangkun, and Premier Li Peng are:

Prince Sihanouk of Cambodia;  
First Secretary of the Cuban Communist Party, President of the Council of State, and President of the Council of Ministers of Cuba Castro;  
President Ochirbat and Prime Minister Jasray of Mongolia;  
President Nazarbayev of Kazakhstan.

Leaders who sent congratulatory messages to President Yang Shangkun and Premier Li Peng are:  
President Menem of Argentina;  
Governor General Hayden of Australia;  
President Biswar of Bangladesh;  
President Soglo of Benin;  
President Borja Ceballos of Ecuador;  
President von Weizsaecker of Germany;

President Goncz of Hungary;  
President Finnbogadottir of Iceland;  
President Sharma of India;  
President Herzog of Israel;  
Emperor Akihito of Japan;  
President Moi of Kenya;  
President No Tae-u of Korea;  
Paramount ruler Azlan Muhibbuddin Shah of Malaysia;  
President Olter of Micronesia;  
President Chissano of Mozambique;  
President Ghulam Ishaq Khan of Pakistan;  
President Ramos of the Philippines;  
President Soares of Portugal;  
President Iliescu of Romania;  
President Wee Kim Wee of Singapore;  
President Premadasa of Sri Lanka;  
President Mwinyi of Tanzania;  
President Niyazov of Turkmenistan;  
President Cosic of Yugoslavia.

Leaders who sent congratulatory messages to Premier Li Peng are:

Prime Minister Sandiford of Barbados;  
Prime Minister Zia of Bangladesh;  
Premier Yon Hyong-muk of Korea;  
Prime Minister Rabin of Israel;  
Prime Minister Antall of Hungary;  
Prime Minister Rao of India;  
Prime Minister Tereshchenko of Kazakhstan;  
Prime Minister Mahathir of Malaysia;  
Prime Minister Jugnauth of Mauritius;  
Prime Minister Sharif of Pakistan;  
Prime Minister Goh Chok Tong of Singapore;  
Prime Minister Stolojan of Romania;  
Prime Minister Chuan Leekpai of Thailand;  
Prime Minister Panic of Yugoslavia;  
Speaker Szabad of the Hungarian National Assembly.

The cable from Lao leaders Kaysone Phomvihane, Khamtai Siphandon, and Nouthak Phoumsavan says: "Over the past 43 years, especially after the CPC adopted the line of reform and opening that is in keeping with China's reality and characteristics, the Chinese people have achieved great progress in building socialism with Chinese characteristics. We highly appraise and applaud these achievements, which are clear proof of the correctness of the CPC's line and the fruits of the Chinese people's hard work under the wise and firm leadership of the CPC.

"We are very happy to see the the rapid improvement in Lao-Chinese relations and cooperation, along with the fruits of this improvement in various fields. This has contributed greatly to the development of good-neighborly relations between us under the Five Principles of Peaceful Coexistence."

The congratulatory cable from the Vietnamese leaders reads: "The Sino-Vietnamese summit in November 1991 marked the normalization of relations between the two countries. We are glad to note that since then bilateral relations have witnessed new development. We

believe that on the basis of agreements reached between the leaders of the two countries, and on the principles written in the November 1991 Sino-Vietnamese Communiqué, as well as in the spirit of mutual respect, mutual understanding, and common efforts, the friendship and cooperation between the two countries will continue developing."

The congratulatory cable from Cambodian head of state Prince Sihanouk reads: "I would like to extend my best wishes to you. May you and other Chinese leaders enjoy good health and longevity. I wish the PRC a splendid victory in carrying out its policy of reform and opening up and in implementing the 10-Year Program for National Economic and Social Development and the Eighth Five-Year Plan."

"The Cambodian people and the Supreme National Council [SNC] would like to take this great opportunity to convey their high appraisal of the PRC's unremitting efforts to bring about an all-round, just, and reasonable political settlement of the Cambodian question and the October 1991 peace accords on the Cambodian issue."

"The Cambodian people will never forget that during various historical periods, the great Chinese people and PRC have always supported the independence, solidarity, sovereignty, territorial integrity, and national reconciliation of Cambodia. To this, I would like to, on behalf of the Cambodian people and SNC, extend deepest appreciation to Chinese people and PRC."

The cable from Fidel Castro, first secretary of the Cuban Communist Party, president of the Council of State, and president of the Council of Ministers of Cuba, to General Secretary Jiang Zemin, President Yang Shangkun, and Premier Li Peng, reads: "We highly appraise the remarkable progress made by our brotherly Chinese people under the leadership of Communist Party in persisting in socialist construction, safeguarding the achievements of revolution, and developing the national economy."

In their congratulatory cables to President Yang Shangkun and Premier Li Peng, President Ochirbat and Prime Minister Jasray of Mongolia said: "We would like to point out with satisfaction on your National Day that the PRC is advancing with even greater strides in implementing the great undertaking of reform and opening up."

"We believe that further enhancement of Sino-Mongolian relations and cooperation is fully in keeping with the fundamental interests of our two nations and that it will be conducive to the consolidation of peace, security, mutual trust, and beneficial cooperation in the Asian Pacific region."

The cable from President Sharma of India to President Yang Shangkun says: "As the biggest developing countries in the world, India and China recognize the importance of further developing and promoting mutual cooperation. We are looking forward to greater progress in a relationship that is beneficial to people of both countries."

The congratulatory message from President Moi of Kenya to President Yang Shangkun says: "I have noted with satisfaction that both our nations have made remarkable progress in all spheres of human activity. I am convinced that for the common interests of our two countries and their people, the friendly relationship that already exists between our two nations should be enhanced incessantly."

The cable from President No Tae-u of Korea to President Yang Shangkun reads: "It is my heartfelt wish that our close friendship and cooperative relations will be further enhanced and strengthened in the years to come."

In his cable to President Yang Shangkun, President Chissano Joaquim Alberto of Mozambique says: "The historical friendship and cooperative relationship built during the armed struggle for Mozambique's liberation has brought the people of our two nations together. Therefore, as we commemorate this important day, the people of Mozambique would like to extend their congratulations with excitement on the Chinese people's achievements under your leadership."

"We would like to take this opportunity to reiterate our wishes to see the further development and enhancement of the existing fruitful friendship, solidarity, and cooperative relations between the governments and peoples of our two countries."

Pakistani President Ishaq Khan's congratulatory cable to President Yang Shangkun reads: "I firmly believe that for the common interests of the peoples of our two nations, our friendship and cooperative relationship should continue to develop and be enhanced in the future."

In his cable to President Yang Shangkun, President Ramos of the Philippines said: "During the long history of our close cooperation and friendship, our countries and peoples have shared the common mission and wishes of rejuvenating their respective economies. Economic rejuvenation will bring ever-growing prosperity to our countries and greater happiness to our people."

The congratulatory message to President Yang Shangkun from Romanian President Iliescu reads: "I believe that the traditional cooperative relationship between our two countries will reach a new stage of development and that this will be conducive to the interests of the people of our two nations and to global peace and understanding."

The cable to Premier Li Peng from Prime Minister Yon Hyong-muk of the DPRK reads: "During the past 43 years, the Chinese people, under the CPC's leadership, have overcome difficulties and made tremendous social and economic progress and established a new socialist China in the vast land of China."

"The Korean people are happy for the Chinese people's achievement and cherish their friendly and cooperative relations with them."



"I would like to take this opportunity to say that it is our belief that traditional Korean-Chinese friendship will continue to be strengthened and developed in a way that will benefit the people of both nations"

Prime Minister Rao of India says in his cable to Premier Li Peng: "We are sincerely working to further improve relations between our two countries and to strengthen our mutual understanding, dialogue, and cooperation. High-level political dialogue between our countries will be of great significance in improving our bilateral relations and contributing to peace and stability in Asia. We are looking forward to working toward this goal."

#### Nepalese Leaders Send Greetings

OW0110051292 Beijing XINHUA in English 1456  
GMT 30 Sep 92

[Text] Kathmandu, September 30 (XINHUA)—China's Ambassador to Nepal Shao Jiongchu gave a reception here today to mark the 43rd anniversary of the founding of the People's Republic of China.

Nepalese Prime Minister Girija Prasad Koirala attended the reception and conveyed his best regards to Chinese President Yang Shangkun and Premier Li Peng.

Present were also ministers, the parliament speaker, former prime ministers, parliament members, leaders of political parties and other dignitaries.

In the morning, King Birendra sent a representative to the Chinese Embassy to express his hearty congratulations.

#### Kenyan President Sends Message

OW3009074692 Beijing XINHUA in English 1901  
GMT 29 Sep 92

[Text] Nairobi, September 29 (XINHUA)—Kenyan President Daniel arap Moi today sent a message of congratulations to Chinese President Yang Shangkun on the occasion of the 43rd anniversary of the founding of the People's Republic of China, which falls on October 1.

The message says, "On behalf of the government and people of Kenya and on my own behalf, I wish to convey to your excellency and through you to the government and people of China, warmest congratulations and felicitations on the occasion of your country's anniversary of the founding of the People's Republic of China."

"I note with satisfaction the remarkable progress made by our two countries in various fields of human endeavor and I am confident that the friendly relations that exist between our two countries will continue to grow from strength to strength for the mutual benefit of our two countries and peoples."

#### Burmese Envoy Celebrates

OW0110152192 Beijing XINHUA in English 1455  
GMT 1 Oct 92

[Text] Yangon [Rangoon], October 1 (XINHUA)—Chinese Ambassador to Myanmar [Burma] Liang Feng gave a national day reception here this evening on the occasion of the 43rd anniversary of the founding of the People's Republic of China (PRC).

Among about 400 guests at the reception were Deputy Prime Minister Maung Maung Khin, Minister for Information Myo Thant, and Minister for Construction U Khin Maung Yin.

Members of the diplomatic envoys and resident representatives of the United Nations agencies here also attended the reception.

The SLORC Chairman and the Prime Minister General Than Shwe has sent messages of felicitations to Yang Shangkun, president of the PRC and to Li Peng, premier of the PRC State Council.

Earlier today, about 600 overseas Chinese in Myanmar held a national day celebration meeting here with the Chinese ambassador and officials of the Chinese Embassy attending.

On the occasion of the national day anniversary, a Chinese photo and handicraft exhibition is also being held here.

A total of 159 photos which reflected China's achievements in economic and other fields and more than 100 handicrafts are on display at the exhibition.

#### Qian Qichen Addresses United Nations 23 Sep

HK3009121392 Beijing RENMIN RIBAO in Chinese  
25 Sep 92 p 6

['Full Text' of address by Qian Qichen, Chinese state councillor and foreign minister, to the 47th United Nations General Assembly on 23 September: "Foreign Minister Qian Qichen Addresses 47th UN General Assembly"]

[Text] United Nations, 23 Sep (RENMIN RIBAO)—Mr. President:

First of all, please allow me to express my heartfelt congratulations to you on becoming president of the current General Assembly. I believe that with your talent and experience, you are sure to succeed in guiding the current General Assembly to perform the sublime duties assigned by the UN Charter. I would like to express appreciation and thanks to Mr. Shihabi [xi ha bi 1585 0761 3024], president of the last General Assembly, for his contribution to the accomplishment of its work.

I would like to avail myself of this opportunity to extend a warm welcome and congratulations to the 13 new member states that the United Nations has admitted this

year, namely, Armenia, Azerbaijan, Bosnia-Herzegovina, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, San Marino, Slovenia, Tajikistan, Turkmenistan, and Uzbekistan.

Since the last UN General Assembly, the world situation has undergone profound changes, and major events have been happening continuously from the east to the west and from the south to the north. The international community has finally extricated itself from the old pattern, which was characterized by the confrontation between two military blocs, and the world has entered a new stage of historical development leading toward multipolarity.

The past mirrors the present. The tortuous experience of mankind in this century, especially following World War II, has brought to light a historical truth: Any large country, no matter how powerful it may be, will turn into its opposite if it acts counter to the people's aspirations for peace and demands for development. World peace, national stability, social progress, economic development, and improvement of livelihood have all along been the shared aspiration of all peoples. No force on earth can resist this historical trend.

Genuine peace—which was anticipated by people the world over—did not come automatically with the end of the "cold war." Because the balance of power is seriously uneven, old contradictions are interwoven with new problems, and armed conflicts are breaking out one after another, the world is still not very peaceful. Hegemonism and power politics still exist. The attempts of some major powers to control developing countries politically and economically have become more and more obvious. The conflicts between nationalities that were covered up for a long time are standing out sharply, and the problems between the South and the North are becoming ever more serious. The road to peace and development, which has been taken by the people throughout the world, is beset with difficulties.

One can see that a dangerous "seismic zone" extending from the Balkans to the Caucasus and to Central Asia has now taken shape. The people in some regions are once again living in the raging flames of war and the resultant turmoil and chaos. Millions of refugees are fleeing in hordes in all directions. These conflicts are happening in areas of traditionally mixed ethnic settlements, and the contradictions that have accumulated over a long period of time are surfacing under new circumstances. It is interwoven with historical rancor, connected with territorial disputes, and also mingled with such factors as political struggle, economic interests, and religious disputes. The involvement of external forces has complicated the problems.

We believe that, no matter how complicated a problem is, resorting to force is not the right choice in the search for a final settlement. The fundamental solution lies in the effort to realize reconciliation among different nationalities through dialogue on an equal footing and

peace negotiations. It is our ardent wish that the parties to these conflicts will, considering the overall importance of safeguarding peace and the interests of the people, abandon the use and threat of force and settle disputes through friendly consultations and political negotiations on equal footing in the spirit of mutual respect, harmony, and shared development.

We support the United Nations in its active effort to avoid the escalation of conflicts and to seek their peaceful resolution. In conducting the necessary mediation and intervention from outside, it is necessary to rigorously observe the goals and principles of the UN Charter and the basic norms of international law. This is the only way to help bring about a peaceful settlement of a dispute, safeguard the stability and unity of a sovereign state, and promote harmony between different nationalities.

Through the joint efforts of the Arab countries and Israel and with vigorous encouragement from the international community, the Middle East peace process has shown a favorable turn. We hope that all parties concerned will seize the opportunity, take a flexible and pragmatic approach, negotiate with one another in earnest, remove obstacles, and strive to settle the Middle East problems—including the reinstatement of the national rights of the Palestinians—comprehensively and impartially on the basis of the relevant UN Security Council resolutions.

The Asia-Pacific region enjoys relative political stability and sustained economic development. Based on the current trend, Cambodia will achieve peace and rehabilitation. Though this process will continue to run into difficulties and setbacks, the tendency toward political settlement is irreversible. The comprehensive implementation of the Paris Peace Treaty requires both determination and patience. The resistance in Afghanistan has taken political power. We hope that the conflict and all its bloodshed will be stopped and conditions will be created for an election. The south and the north on the Korean Peninsula are stepping up their dialogue, and the situation there has been further relaxed. China and the Republic of Korea recently established diplomatic relations, and this will have a profound and far-reaching impact on stability and peace in northeast Asia.

The tumultuous and complex international situation has further awakened all the countries and peoples throughout the world, and they have more pressing and stronger demands for a new international order. The future world should neither be a place where only the interests and rights of big powers or power groups are protected, nor a place where some big, powerful, and wealthy countries are allowed to monopolize and manipulate international affairs. The old world order based on unequal relationships no longer works.

A new world order should be based on all countries of the world observing the five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in one another's internal affairs, equality and mutual benefit, and peaceful coexistence.

This is in line with the goals and principles of the "UN Charter." All countries, big or small, strong or weak, poor or rich, have the right to choose social systems and paths of development which suit their national conditions. All countries should respect each other, should treat each other as equals, and should adhere to settling international disputes through peace negotiations. Only when all countries promise to implement these principles can it be possible to establish true democracy in international relations. We firmly believe that, with the world developing toward multipolarity, a new international order characterized by peace, stability, justice, and rationality will eventually be established.

Mr. President, in recent years, the United States and Russia have reached some new agreements on the reduction of nuclear weapons. The international community welcomes this and hopes that the countries concerned will substantially implement these agreements. In the meantime, one can also see that, even when these disarmament measures are completed, the fact that the military powers possess the biggest and best nuclear arsenals, sophisticated weapons, and the capabilities for developing space weapons will remain unchanged.

The international convention on chemical weapons was finally concluded after years of negotiations, which laid an international legal foundation for eliminating this type of weapon of mass destruction on a worldwide scale. Though some parts of this pact are marred by inadequate fairness and balance, its goals and objectives have met with the international community's unanimous approval and support. We hope these goals and objectives will be observed and implemented with substantial efforts so as to contribute to the security of all countries.

China has always stood for the banning and thorough eradication of all weapons of mass destruction. Before this ultimate goal is achieved, for the sake of world and regional security and stability, it is necessary for the international community to adopt the measures that are necessary and appropriate, as transitional expedients, to prevent the proliferation of weapons of mass destruction. We maintain that the international efforts toward nonproliferation should follow the principles of justice, rationality, comprehensiveness, and balance and should not harm various nations' just security interests, impair their economic and social development, or impede international cooperation aimed at the utilization of science and technology for peaceful purposes.

We stand opposed to a certain country [you de guo jia 2589 4104 0948 1367], on the pretext of preventing proliferation of weapons, interfering with and hindering normal modes of cooperation between sovereign countries. We strongly condemn the act of brazenly violating the pledge this country itself made in an international agreement, by selling large quantities of advanced weapons and equipment and wantonly interfering in another country's internal affairs.

On the issue of disarmament and arms control, we would like to make the following suggestions:

- All countries possessing nuclear weapons should promise not to be the first to use nuclear weapons and, unconditionally, not to use or threaten to use nuclear weapons against countries that do not have nuclear weapons.
- All countries possessing nuclear weapons should support the proposition for establishing nuclear-free zones, respect the status of existing nuclear-free zones, and undertake the corresponding duties. Countries which have deployed nuclear weapons abroad should withdraw all of them into their own territories.
- All countries with outer space capabilities should abide by the principle of utilizing outer space for peaceful purposes, stop the research, experiments, production, and deployment of outer space weapons immediately, and refrain from introducing weapons systems into outer space.

Mr. President, in the world today, the gap between the poor and the rich is deepening further. The population of the wealthiest countries and the poorest countries each account for approximately 20 percent of the world population, but the income disparity between them has gone up from 30 times in the 1960's to 90 times in the 1990's. The South-North problem is acutely facing us, and solving the problem of development is as pressing and important as solving the problem of peace.

Unfavorable external conditions—such as slow world economic growth, unequal and unfair trade, sharp price falls of many kinds of primary products, and heavy liabilities—have continued to seriously restrict the development of the many developing countries. The growth rate of per-capita GNP in many developing countries has been dropping constantly, and some countries have suffered negative growth in their economies. The conditions for foreign trade have continued to deteriorate, and export efforts have been restricted. Attempts to attract foreign capital and technology have encountered even more problems.

Peace and development are mutually supportive. While they enhance and affect each other, neither can replace the other. World peace is impossible to maintain if it is not based on development. If developing countries cannot enjoy economic development and social progress, long-term international stability and prosperity will be difficult to attain. Perennial stagnation and even retrogression of the economy in developing countries would also have a negative impact on the further development of the economy in developed countries.

Developing countries should primarily rely on their own efforts in order to recover effective economic growth. Many developing countries are summing up their experiences, actively exploring the paths of development that



cater to their national conditions and, in the meantime, carrying out economic restructuring and speeding up economic development.

No one can deny the fact that the irrational and unfair old international economic order was an important external factor contributing to the developing countries' poverty and backwardness. Developed countries have the responsibility and duty of taking the initiative to adopt feasible and active measures, which primarily are covered by the following points:

- In line with the relevant UN resolutions, to spend 0.7 percent of GNP on aid for developing countries, increase government development aid, solve the problem of liabilities, and reverse the abnormal phenomenon of funds flowing from developing countries into developed countries;
- To observe the basic principles of the universal preferential system laid down by the UN Conference on Trade and Development, removing discriminatory trade barriers, further opening up markets to developing countries, and making efforts to stabilize the rational prices of primary products;
- To restore and increase technical aid and preferential transfer for developing countries through governmental and nongovernmental channels, gradually narrowing the gap between the South and the North in science and technology and promoting the economic restructuring and technical advancement of developing countries.

What needs to be emphasized is that maintaining political stability is an important precondition of economic development for developing countries. If developed countries extend aid on the one hand and apply pressure on the other, it would cause unrest and instability in some countries and would hinder their economic development.

It is obviously one-sided and useless to make irresponsible comments on the human rights situation in developing countries, disregarding the differences in historical background and cultural traditions as well as the actual conditions in these countries. As far as the people of developing countries are concerned, the right to subsistence and the right to development are undoubtedly the most fundamental and most important human rights of all. Some regions in the world have been hit by serious natural calamities for years on end, and the people do not have enough food; some regions are battered by frequent wars, and millions of refugees are forced to leave their native homes. How can people who live under such circumstances enjoy human rights?

Establishing a just, rational, equitable, and mutually beneficial new international economic order is a reliable safeguard of the world economy's balanced, healthy, and sustained growth and also an important precondition for gradually narrowing the gap between the South and the North. In order to realize this goal, it is necessary for

both the South and the North to earnestly carry out dialogue and make concerted efforts. As long as the two sides adopt a positive attitude, seek common ground on major issues while reserving differences on minor ones, have mutual benefit in mind, and make great efforts to explore effective ways of cooperation, the progress in the South-North dialogue will be possible.

The important documents passed by the UN Conference on Environment and Development and the two conventions on climate change and variety of life, open for signing during the conference, are a reflection of the common understanding and mutual accommodation among countries with differing levels of development on environmental protection and economic development. We hope that efforts will be made to conscientiously materialize the duty and rights concerning environmental protection and, with the global cooperation in environmental protection as the bridge, further promote the improvement of South-North relations.

The Chinese Government energetically supports the United Nations' proposal for a world summit meeting on social development. The Chinese Government warmly welcomes the convening of the Fourth World Women's Congress in Beijing in September 1995. To this end, China founded a Chinese organizational committee in August this year and will make substantial preparations for the smooth convening of this congress.

Mr. President, historic changes in the international situation have also posed grim challenges to the United Nations itself. The people of all nations have high expectations of the United Nations. One major issue that the international community is generally concerned with is the way in which the United Nations will adapt itself to the new international situation, handling major international affairs more actively, evenly, equitably, and rationally, promoting world peace and development, and playing its expected role in establishing a new international order.

UN Secretary General Mr. Ghali has released a wide-ranging and detailed report on the issue of the United Nations' international peace-keeping efforts in the middle of this year. It is worth our in-depth study, and we appreciate the secretary general's efforts.

Reform of the United Nations has been included in the agenda, and a successful reform depends on correct directions and principles. In accordance with the goals and principles of the UN Charter, we hold:

- UN reform should contribute to maintaining the sovereignty of its member states. Sovereign states are the subjects of international law and the foundation for the formation of the United Nations. The maintenance of state sovereignty serves as the basis for the establishment of a new international order.
- UN reform should contribute to the peaceful resolution of international conflicts. The United Nations should be an international organization that preserves

peace and promotes cooperation. This organization can maintain world peace and security only if it abides by the basic norms governing international relations, persists in settling all international disputes through peaceful means, and opposes the use and threat of force. Unduly employing the UN option of military intervention and indiscriminately and willfully imposing mandatory measures on member states will not only fail to resolve conflicts, but will also impair the reputation and role of the United Nations.

- UN reform should contribute to balanced, healthy, and sustained economic development in various countries around the world. Economic development is a matter of concern to most of the 179 UN member states. The world today is experiencing an ever-widening gap between the South and the North in economic terms and between the rich and the poor. The United Nations should devote the same attention to the issue of development as it does in approaching international conflicts and crises. This is the only way that the United Nations can win the support of the overwhelming majority of its member states.

UN reform should embody the basic principles of democracy, justice, objectivity, rationality, balance, and effectiveness. Reform is not confined to a few large, powerful, and rich countries; nor should it be conducted without regard for reality or for the need to balance interests. The UN reform should serve the grand goal of promoting the establishment of a new international order that is peaceful, stable, fair, and rational. Only by earnestly listening to the opinions of its many member states and through comprehensive and full discussions and study can the United Nations win extensive understanding and support.

Mr. President, from 1981 to 1990, China's GNP grew at an annual rate of 8.9 percent. In the 1980's, China went through enormous changes in its general situation, enjoying political stability, economic prosperity, and harmony and unity among nationalities. Its people were living and working in contentment.

After entering the 1990's, we strived to develop the economy at an even higher pace and accelerate reform and opening up. Inspired by the spirit of Deng Xiaoping's talks at the beginning of this year, China's reform, opening up, and economic construction have entered a new stage of development. It is estimated that the growth rate of the GNP for the whole year will reach or even exceed 9 percent. China's economy is full of vitality and has a bright future.

China's opened areas have expanded further: A new pattern of all-dimensional opening up in cities along the coasts, rivers, and frontiers as well as provincial capital cities has taken shape. The domains for utilizing foreign capital in China have further expanded: The agreements signed in the first half of this year on investments from outside the border were worth \$14.6 billion, 2.2 times more than the corresponding period last year. In the first

half of the year, China's import volume and export volume reached \$33.06 billion and \$35.61 billion respectively, up 23.4 percent and 17.3 percent compared to the corresponding period last year. It is estimated that the total volume of foreign trade for the whole year will exceed \$150 billion.

China's reform and opening up is not an expedient measure, but is a project of vital and lasting importance. Because it conforms to the common aspiration of the people, benefits the people, and is supported by the people, it is bound to be successful. China is a steady force in safeguarding world peace. China's political stability and success in its reform and opening up will be a great contribution to peace and development in Asia and the world at large. China will, as always, support the United Nations in its constructive effort to promote peace and development. China will, together with the governments and people of all countries of the world, make efforts toward the establishment of a new international order that is conducive to world peace and common development.

Thank you, Mr. President!

#### Jiang Zemin Meets Economic Forum Participants

OW3009153192 Beijing XINHUA in English 1219  
GMT 30 Sep 92

[Text] Beijing, September 30 (XINHUA)—Jiang Zemin, general secretary of the Communist Party of China (CPC) Central Committee, met here today with domestic and overseas participants in an ongoing international economic forum.

The forum, sponsored by the China International Trust and Investment Corporation (CITIC), began here yesterday. It focuses on the subject of "Facing the 21st Century: Prospects for Economic Cooperation and Development in the Asian-Pacific Region and the World as a Whole."

Over 40 noted economists and politicians from 15 countries and regions, along with some 20 Chinese participants from Chinese state departments and enterprises, attended the forum.

According to a Chinese official, Jiang remarked at today's meeting that peace and development are still the main tasks in today's world.

China has always upheld and been devoted to the maintenance of world peace and is willing to develop friendly relations with all countries on the basis of the five principles of peaceful coexistence, Jiang was quoted as saying.

Jiang told the participants that China's investment conditions will be further improved since the country is opening wider to the outside world.

He noted that China is willing to develop economic cooperation with foreign enterprises on the basis of mutual benefit and in various forms.

CITIC's chairman of the board of directors, Rong Yiren, was present at the meeting.

#### **Foreign Experts Given Friendship Awards**

OW2909081392 Beijing XINHUA in English  
0755 GMT 29 Sep 92

[Text] Beijing, September 29 (XINHUA)—Forty foreign experts working in China received "friendship awards" from the State Foreign Experts Bureau here today in recognition of their outstanding work.

The winners, from 19 countries and regions, are selected from among tens of thousands of experts working in China, which has been inviting some 36,000 experts to work in various fields every year.

Present at the ceremony was Zhang Jingfu, a Standing Committee member of the Central Advisory Commission of the Chinese Communist Party and president of the China Association for International Exchange of Personnel.

Luo Gan, secretary general of the State Council and head of the leading group for introducing intellectual resources, said that China will take more flexible measures and simplify the formalities for inviting foreign experts.

To have more foreign experts to work in China is an important part of the country's policy of reform and opening to the outside world and the basic state policy that will remain unchanged for a long period of time, Luo stressed.

The State Foreign Experts Bureau began to give awards to foreign experts in September last year.

#### **Li Peng Attends**

OW3009122792 Beijing XINHUA in English  
1145 GMT 30 Sep 92

[Text] Beijing, September 30 (XINHUA)—Chinese Premier Li Peng and vice-premiers Zou Jiahua and Zhu Rongji met with 40 foreign experts, praising them for their outstanding contributions to China.

The experts present are winners of the "Friendship Medals" awarded by the State Foreign Experts Bureau. They are selected from among some 36,000 foreign experts working in China.

Li Peng thanked them and all the other experts for their useful work in China's scientific research, management, culture and education. He also briefed them on China's efforts to deepen the reform and open itself still wider to the outside world and on China's relations with other countries.

Li, Zou and Zhu also had photographs taken with these experts.

Luo Gan, secretary general of the State Council and head of the leading group for introducing intellectual resources, was among those present at the meeting.

#### **Beijing Supports Asian-European Cable Project**

OW2809113792 Beijing Radio Beijing in Mandarin to Asia 0900 GMT 25 Sep 92

[From the "News" program]

[Text] While meeting responsible persons of the Ministry of Posts and Telecommunications attending a discussion meeting on Asian-European communications optical cable project in Beijing on 24 September, Vice Premier Yao Yilin said: There are needs for a communications cable between Asia and Europe, particularly the CIS nations. The Chinese Government supports this project.

#### **United States & Canada**

#### **Journal Views Efforts To Fan 'Anti-U.S. Wind'**

HK3009145392 Hong Kong CHENG MING in Chinese  
No 180, 1 Oct 92 pp 13-14

[Article by Cheng Chen-chun (6774 2525 0689): "The Conservatives Are Fanning an Anti-U.S. Wind"]

[Text] Between summer and autumn of this year, the CPC has made a small breakthrough in diplomacy, including the establishment of diplomatic relations with the ROK, but its relations with the United States on the other side of the globe are becoming worse. A China-U.S. trade war may break out at any time and U.S. President Bush has approved the sale of highly functional F-16As and Bs to Taiwan. These events have caused a lot of anger among high-level CPC leaders, who responded strongly and quickly.

#### **The Ministry of Foreign Affairs Drew Up a Five-Point Proposal and Submitted it to the State Council for Instructions**

As disclosed by a high-level person from the Ministry of Foreign Affairs, upon receipt of the news on the U.S. fighter sales to Taiwan, the ministry drew up a five-point proposal and submitted it to the State Council for instructions.

1. China must immediately lodge a serious protest with the U.S. Government against its unilateral violation of the Chinese-U.S. joint communique.
2. The Chinese ambassador to the United States should return to China for an indefinite furlough to observe any change in events.
3. We suggest that RENMIN RIBAO issue an editorial exposing U.S. interference in China's internal affairs and its hegemonism, power politics, and hypocritical nature.



4. We suggest adjusting our position on U.S. power politics manipulating the UN Security Council.

5. We suggest China's suspension or withdrawal from the five-nations disarmament conference.

#### **The State Council Submitted Six Measures to the Political Bureau**

After receiving this proposal from the Ministry of Foreign Affairs, the State Council provided these instructions: "The first point can be carried out accordingly and the rest should wait for further discussions before corresponding measures are taken." These instructions were signed by Li Peng and Wu Xueqian.

Subsequently, in the name of the State Council, the State Council's Foreign Affairs Section submitted a report to the Political Bureau proposing six measures:

1. The Chinese ambassador to the United States should be summoned back to China for an indefinite furlough.
2. High-level Chinese-U.S. ministerial exchanges should be suspended, including economic and trade exchanges.

#### **Suspending Purchase of Boeing Passenger Planes and Wheat**

3. We should temporarily suspend our participation in the five-nation disarmament conference.
4. We should suspend agreements on buying U.S. Boeing passenger planes and wheat until the situation changes for the better.
5. We suggest that the People's Congress, the Chinese People's Political Consultative Conference, and relevant political organizations hold meetings and issue statements.
6. The United States has now forced China to adjust its position on U.S. power politics manipulating the United Nations and its Security Council.

#### **Worsening Chinese-U.S. Relations Enable "Leftist" Lords To Exploit the Opportunity to Their Advantage**

The worsening in Chinese-U.S. relations has enabled some "leftist" lords in Beijing to take advantage of the opportunity. On 8 September, the Propaganda Department efficiently drafted a circular entitled, "Further Improving our Understanding of Hegemonism and Power Politics," for dissemination and study. It is mainly composed of four points: 1) Taking account of the wanton U.S. decision to sell F-16 fighter planes to Taiwan and its violation of the 17 August communique, party and government propaganda departments should be clearly aware of U.S. interference in China's internal affairs and its attempt to destroy the situation in which the two sides of the Strait are developing toward peaceful reunification. 2) Considering the history of invasions of China by imperialist powers and U.S. interference, subversion, sabotage, and blockades against China after the founding of New China, these departments should see

through the aggressive nature of U.S. global strategy. 3) They should consciously improve their understanding of the fact that the main struggle in the present-day world is the struggle between control and opposing control, manipulation and opposing manipulation, and subversion and opposing subversion—a struggle occurring between hegemonism and power politics on the one hand and various nations on the other; they should criticize the tendency to rely on the United States and the mentality which worships the United States. 4) Relevant party, government, trade union, and mass organizations may, after approval from the higher authorities, hold gatherings, large-scale forums, and report meetings so that the entire party and people throughout the country will further understand the nature of U.S. hegemonism and power politics.

#### **Li Ruihuan Refutes Propaganda Department's Anti-U.S. Document**

"Leftist" lords are trying take advantage of U.S. fighter plane sales to Taiwan to stir up feelings of hatred and opposition to the United States with the aim of disrupting Deng Xiaoping's reformist line. It is known that Li Ruihuan deleted point No. 3 in the Propaganda Department's report and revised points No. 2 and 4, adding this instruction: "The central task should still be carrying out construction as fast as possible and no deviation is allowed."

#### **Some People in the Political Bureau Assert That Chinese-U.S. Relations Should Be Downgraded**

At a joint meeting of the Political Bureau and the State Council on 7 September, during which U.S. fighter plane sales to Taiwan were discussed, some people proposed that Chinese-U.S. relations be downgraded to the level of charge d'affaires ad interim, that China withdraw from the five-nations disarmament conference, and revise its policy toward the United States. Song Renqiong said at the meeting: "There should be a bottom line for our policy toward the United States. If some expect the United States to be honestly friendly toward China, they are departing from the basic view of Marxism. So far, the U.S. Government has not recognized and is unwilling to implement the five basic principles concerning relations between states or the norms governing state relations provided by the UN Charter."

Jiang Zemin concluded by saying: "Principles must be carried out, our position must be clear-cut, our viewpoints must be explicit, we must fight hegemonism on just grounds to our advantage and with restraint, we must cautiously consider relevant specific measures, and we must try to treat U.S. fighter sales to Taiwan and Chinese-U.S. trade talks differently."

#### **U.S. Fighter Sales to Taiwan Benefit Peaceful Reunification**

Someone said that although Bush's decision to sell F-16 fighter planes to Taiwan is related to U.S. domestic

policy, objectively speaking this is beneficial to maintaining a military balance in the Taiwan Strait. As matter of fact, the CPC already possesses a military force much stronger than Taiwan's. Recently, the CPC deployed a number of Su-27 planes bought from Russia, posing a bigger threat to Taiwan. Therefore, this U.S. decision is conducive to both the peaceful reunification of both sides and to protecting both sides from military encroachments by the other.

**Worsening Chinese-U.S. Relations Will Impact on Reform and Opening Up**

The most conspicuous problem at present is not U.S. F-16 sales to Taiwan but whether or not the obstinate "leftists" can materialize their plot to stir up large-scale anti-U.S. feeling. An informed source said worriedly that if the conservatives are successful in their intentions and Chinese-U.S. relations worsen, this will affect the foreign relations pattern the CPC has formed through many years of effort and will thus hamper and obstruct the line of reform and opening up.

**Bush, Clinton Agree To Negotiate Debates**

OW0110044292 Beijing XINHUA in English 0218  
GMT 1 Oct 92

[Text] Washington, September 30 (XINHUA)—Top officials from the Republican and Democratic campaigns agreed to negotiate a deal on the presidential debates tonight, Bush campaign spokeswoman Alexe Glen announced here today.

Glen said, "We'll just wait and see what develops."

The agreement came after top aides to the two camps exchanged letters on President George Bush's call for negotiations on his four debate proposal—two with a panel of journalists and two with a single moderator.

Mickey Kantor, Democratic candidate Bill Clinton's campaign manager, proposed in a letter to the Bush campaign to negotiate a deal under the auspices of the bipartisan commission on presidential debates.

But in his letter to the Democratic camp, Bush campaign manager Bob Teeter rejected the involvement of the commission in the negotiations. He preferred to the direct discussions between the two campaigns.

Executive director of the debate commission Janet Brown said the commission would not be involved in the initiate negotiations.

Clinton spokeswoman Dee Dee Myers said Bush's four-debate proposal was acceptable to Clinton, but the Democratic candidate wants to start the first debate on October 4.

Clinton said on the "This Morning" program on Columbia Broadcasting System today "Let's start Sunday. Let's do the other one on the 15th, because I

blocked my schedule around that, and more importantly, because it's a better date than the Sunday date."

In his proposal, Bush called for four debates on every Sunday evening starting on October 11. He rejected the debate on Sunday, proposed by the debate commission.

**Central Eurasia**

**Wan Li Meets Kazakhstan Parliamentary Group**

OW3009112592 Beijing XINHUA in English 1020  
GMT 30 Sep 92

[Text] Beijing, September 30 (XINHUA)—Wan Li, chairman of the Standing Committee of China's National People's Congress (NPC), met with Chairman O.C. Cabdenov of the Science and Education Commission of Kazakhstan's parliament here this afternoon.

Wan, referring to China and Kazakhstan as "close neighbors," said the traditional Sino-Kazakh friendship has been strengthened since the two countries forged diplomatic ties early this year.

The visit of Cabdenov's group, the first parliamentary delegation from the newly-independent republic, will serve to enhance the friendly cooperation between the parliaments and peoples of the two countries, he said.

Wan said the summary of talks, which was signed this morning between the NPC Education, Science, Culture and Public Health Committee and the Kazakhstan parliamentary Science and Education Commission, is "a good beginning" for exchanges between the two parliaments.

Cabdenov praised China's dramatic achievements in reform and opening to the outside world. He hoped to see continued expansion of the traditional Kazakhstan-China friendly relations, as well as increased exchanges and cooperation with the NPC.

Wan, in an account of China's efforts to speed up economic development, said such endeavors hinge on the progress of science and technology, along with the enhancement of people's intellectual qualities. Therefore, he added, China needs to step up the development of science, technology and education.

In this regard, China and Kazakhstan can compare notes with each other in their legislative work, he said.

**Chinese Embassy Opens in Kazakhstan 30 Sep**

OW3009155092 Beijing XINHUA in English 1304  
GMT 30 Sep 92

[Text] Alma-Ata, September 30 (XINHUA)—The Chinese Embassy in Kazakhstan was officially opened here today.

Kazakh Prime Minister Sergey Tereshchenko and Foreign Minister T. Suleymenov were present at the opening ceremony.

In their speeches at the ceremony, Tereshchenko and Chinese Ambassador Zhang Deguang expressed their hopes that relations between the two countries will develop further.

China and Kazakhstan established diplomatic relations last January.

#### **Hunchun, Russia Sign Accord on Building Berth**

*SK3009153592 Changchun JILIN RIBAO  
in Chinese 2 Sep 92 p 1*

[By reporter Xie Shouzheng (6043 1343 7109): "China And Russia Reach Agreement On Building A Berth With An Annual Handling Capacity of 500,000 Tons"]

[Text] During the 1992 China's Yanbian Korean Nationality Folk Customs Festival 1 September, it was learned that new and significant progress was made in China's use of the Zarubino port of Russia thanks to the concerted efforts of China and Russia. The Zarubino port is merely 63 km from Hunchun port. Its current cargo loading and unloading capacity is 1.2 million tonnes, its cold storage capacity is 12,000 tonnes, and its warehouse capacity is about 30,000 tonnes. The depth of its water is 9.5 to 10 meters, capable of berthing 12,000-tonne cargo vessels. The Russian side is planning to import funds to expand the port. It will build five berths, each of which can handle 500,000 tonnes of cargo a year, to make the port's handling capacity 3.7 million tonnes. Russia officially announced on 1 July that the Zarubino port was opened to foreign ships.

Hunchun and the Russian side signed an agreement recently, under which the Chinese side will build a berth in the Zarubino port with an annual cargo handling capacity of 500,000 tonnes. After completion, the Chinese side may use this berth to transfer goods. Russia hoped that the Chinese side would organize the transfer of some goods to Japan and ROK through the Zarubino port in the near future.

The ROK and Japan recently also showed a positive attitude in investing in expanding the Zarubino port.

#### **Heilongjiang, Russia Sign Bridge Agreement**

*SK2909095492 Harbin Heilongjiang People's  
Radio Network in Mandarin 2200 GMT 28 Sep 92*

[Text] On the evening of 28 September, the Fuyuan County government and Khabarovsk, Russia, signed the agreement on building a 1.5-km-long pontoon bridge from (Kazaskvoye) to (Wusu) Town on Ussuri River and the agreement on carrying out ferry service between the two places. This has provided a new passageway for the province to transport goods to Russia. The first economic and trade symposium of Fuyuan County ended on 28 September as well. The 116 traveling trading groups from Hong Kong, Macao, Taiwan, Singapore, the CIS, and the 22 provinces, municipalities, and autonomous regions of the country attended the symposium.

Over the past four days, the total transaction volume reached 150 million Swiss francs.

#### **Northeast Asia**

##### **Significance of ROK President's Visit Viewed**

*SK0110093492 Seoul THE KOREA HERALD in  
English 1 Oct 92 p 2*

["News Analysis" by staff reporter Kang Song-chol]

[Text] Beijing—President No Tae-u yesterday wound up his unprecedented visit to China, expressing satisfaction with its outcome.

The trip does not seem to have produced any remarkable agreements. No and the Chinese leaders just reconfirmed the principles of the joint declaration that the two countries adopted when they established diplomatic ties last August.

What's important, however, may be the understanding reached between No and the Chinese leaders on the security and political situation on and around the Korean Peninsula.

On the meeting Monday between No and Chinese President Yang Shangkun, presidential spokesman Kim Hak-chun commented: "The two leaders found no disagreements in their assessment of the security situation in Northeast Asia."

The shared understanding could help the two countries forge close ties politically, said the spokesman.

That prospect may have encouraged No. He called his China trip an historic occasion starting in earnest the process of removing the last vestiges of the Cold War in Northeast Asia.

Despite the alleged common assessment of the security situation, the two sides may differ on how to resolve regional problems.

No may have hoped for a clear-cut answer when he requested China's "positive role" in thwarting North Korea's nuclear weapons development program.

The Chinese leadership, however, assumed a somewhat lukewarm attitude. Yang cautioned against applying outright pressure on Pyongyang.

Yang also gave the impression that Beijing does not view Pyongyang's nuclear program as seriously as Seoul.

The Chinese head of state seemed optimistic on resolving the issue. He observed that North Korea, now under enormous economic hardships and eager to escape from international isolation, would move toward resolution of the question.

Seoul, meantime, hopes that China will exercise its influence over North Korea for speedy settlement of the nuclear question.



Beijing has long opposed either South and North Korea possessing nuclear arms. It has also maintained that it would not provide nuclear technology to either side even for peaceful purposes.

The Chinese leaders advised No to pursue talks with North Korea with patience.

The Chinese leaders in general seemed to be trying not to hurt the feelings of North Korea, still one of its closest allies, in an apparent move to use the "Pyongyang card" in dealing with South Korea.

Meanwhile, No tried to assuage any concern Beijing may have about the possibility of radical changes on the Korean Peninsula.

During his talks with Chinese Premier Li Peng and Communist Party Secretary-General Jiang Zemin, No made it clear that Seoul does not aim to isolate North Korea internationally.

Seoul, he said, would rather help North Korea set up diplomatic ties with the United States and Japan and offer the North economic aid once the nuclear question has been resolved.

Some diplomatic sources said Seoul had informed Beijing that it would not seek Germany-type reunification, that is the absorption of North Korea by the South.

China does not want an early unification of the divided Korean Peninsula, many political observers say.

On the economic front, the Chinese leaders repeatedly called for more South Korean investment in their country. As if to honor their wishes, President No had 37 leading businessmen accompany him on his trip.

On international issues, it appears that No did not discuss with the Chinese leaders about a conference for lasting peace in Northeast Asia among concerned countries which he proposed in his recent address to the U.N. General Assembly.

#### **No Assesses Northern Policy**

SK3009065192 Seoul YONHAP in English 0235 GMT  
30 Sep 92

[Text] Beijing, Sept. 30 (YONHAP)—A proud President No Tae-u declared Wednesday he had successfully concluded his northern policy with his China visit, which had removed all external barriers on the road to Pyongyang for eventual unification of the country.

Winding up his historic visit to China, he made the remark at a breakfast meeting with Korean reporters at the state guest house of Diaoyutai Wednesday.

The president said unification of the country may not be realized in the very near future, but he hinted that it could come earlier because the establishment of diplomatic relations with the former Soviet Union and China was carried out sooner than expected.

No said he had confirmed that Chinese leaders realized the importance of stability on the Korean Peninsula for their country and that he was able to "read" their intention to support South Korea's efforts to unify the country.

No indicated that South Korea and China will work closely together in the future for economic development and political stability in Northeast Asia in order to prevent an emergence of a military power in this region.

With regard to domestic politics, No said he did not want to form a neutral cabinet in a hurry. Nevertheless, he hinted that the proposed cabinet reshuffle could come next week when he said an early reshuffle was deemed necessary for a quick normalization of domestic politics.

However, he declined to say whether he planned to confer with the three leaders of political parties together or separately.

Commenting on his decision Sept. 18 to leave the Democratic Liberal Party, No said he was well aware that the president in a democratic country could not leave the governing party during his tenure but he had decided to take drastic action to help find a breakthrough in the political impasse.

#### **No's Help Requested in Hosting Olympics**

SK2909033792 Seoul YONHAP in English 0131 GMT  
29 Sep 92

[Excerpt] Beijing, Sept. 29 (YONHAP)—[passage omitted] At the closing stage of Monday's [28 September] state banquet, Chairman [title as received] Yang Shangkun started clapping his hands in rhythmic applause and everybody followed him as the 1988 Seoul Olympics' theme song, "Hand in Hand," was played.

A top Chinese sport official and deputy mayor of Beijing approached President No Tae-u and discreetly requested South Korea's support for Chinese efforts to host the 2000 Olympic Games in Beijing.

The guests also took interest in the fact that China's national anthem was composed by a Korean, Chong Yul-song. The song was composed during the Sino-Japanese war and was loved by the Chinese as they waged their struggle against the Japanese imperialists. It was adopted as the national anthem with the formation of the People's Republic of China.

—President No Tae-u visited Badaling, a fortress in the Great Wall of China, about 70 kilometers north of Beijing, on Tuesday morning.

Leaving the State Guest House of Diaoyutai, he was driven in a car about 1 hour and 25 minutes to reach Badaling and toured the area for about 15 minutes.

No showed interest in the size of the wall and asked Chinese officials many questions. The wall is said to be 6,000 kilometers long, so why was it called the 10,000-ri

wall, he asked. No also wanted to know how many laborers were deployed and how long it took them to build it.

No then took souvenir photos with First Lady Kim Ok-suk against several scenic backgrounds.

### No Leaves for Home

OW3009123092 Shanghai People's Radio Network in Mandarin 1000 GMT 30 Sep 92

[From the "News and Weather" program]

[Text] No Tae-u, the first President of the Republic of Korea to visit China, arrived in Shanghai at noon today by a special plane together with his wife and other Korean guests. At noon, Shanghai Mayor Huang Ju met with President No Tae-u, his wife, and other Korean guests at Xin Jinjiang Hotel. On behalf of the Shanghai municipal people's government and the 13 million people in Shanghai, Huang Ju warmly welcomed the visit of President No Tae-u and his party to Shanghai. He also briefed the president on the economic construction in Shanghai and on the development of Pudong. Huang Ju said: The visit of Your Excellency Mr. President will help promote economic cooperation and trade exchanges between Shanghai and Korea. He extended a warm welcome to Korean entrepreneurs on investment in Shanghai and on the development of Pudong.

President No Tae-u said that Shanghai is a city full of vitality, and that Shanghai is a role model for China's economic development. He urged Korean entrepreneurs to invest in China and in Shanghai and to seek partners for cooperation there. He also sincerely hoped for the success of development in Pudong.

Li Lanqing, chairman of the Chinese Government Reception Committee and minister of foreign economic relations and trade; Zhao Qizheng, vice mayor of Shanghai; Wang Chongji, chairman of the Shanghai municipal people's congress; Zheng Lizhi, vice chairman of the Shanghai municipal CPPCC; and (Sha Lin), (Xu Zhaochun), responsible persons of relevant departments, were present at the meeting.

This afternoon Mayor Huang Ju presided over a briefing on the situation in Shanghai. President No Tae-u and his entourage—including the ministers of foreign affairs, trade and industry, and science and technology; the Korean ambassador to China; and people from Korea's economic circles attended the briefing. At the briefing, Vice Mayor Zhao Qizheng delivered a report entitled "Shanghai on the Take-off" and briefed the Korean guests on the development of Shanghai and on the situation regarding development in Pudong.

President No Tae-u and his party also visited the site of the former provisional Korean government at (Madan) Road, toured the Nanpu Bridge, and other places in Shanghai.

This afternoon, President No Tae-u of the Republic of Korea, his wife, and other Korean guests successfully concluded their state visit to our country and left Shanghai for home by a special plane.

### Sino-ROK Trade Cooperation Viewed

SK2909074692 Seoul THE KOREA HERALD in English 29 Sep 92 p 8

[By KOREA HERALD correspondent Kang Song-chol]

[Text] Beijing—Trade ministers of Korea and China agreed Monday to closely cooperate on the governmental level to facilitate Korean firms' participation in China's eighth five-year economic development plan (1991-1995).

Korean Minister of Trade and Industry Han Pong-su, now accompanying President No Tae-u's state visit to China, asked China to provide tax breaks, relax export obligations and give safety approval to Korean-made electronic telephone exchange systems, which he said would help promote the expansion of Korean businesses' investment into China.

Han's Chinese counterpart, Minister for Foreign Economic Relation and Trade Li Lanqing, replied that he would favorably consider the Korean official's requests.

Minister Han, while noting that some Korean business groups are pushing to implement major joint-venture projects with Chinese partners in key industries, called for the Chinese government's "special consideration" for their materialization. Projects cited by the Korean trade minister as being actively pursued include Samsung Co.'s ethylene plant in Jilin province, Pohang Iron and Steel Co.'s sheet metal plant in Shanghai, Daewoo Corp.'s cement factory and Lucky-Goldstar Co.'s electronic telephone exchange equipment plant, both in Shandong.

The two top trade officials also agreed to cooperate on the conclusion of a commercial arbitration agreement to help settle bilateral trade disputes which occur as their trade expands.

Han invited Li to visit Korea within this year and asked for China's official notification to participate in the Taejon International Exposition in 1993.

Later in the day, the two trade ministers attended the first joint meeting of the Korea-China Economic Council at the Chinese Council for the Promotion of International Trade (CCPIT), formally inaugurating the economic cooperation body between private businessmen of the two countries.

During the inaugural meeting, also attended by 100 other government and business officials from Korea and China, the Korea Chamber of Commerce and Industry (KCCI) and CCPIT, the main operating bodies of the council, signed a protocol on cooperation. The protocol calls for, among other things, mutual cooperation in

trade expansion, corporate joint ventures and technology transfer as well as exchange of information on mutual trade and economic cooperation.

KCCI and CCPIT also agreed to provide reciprocal convenience and assistance to visiting economic missions, actively participate in commodity fairs and hold the annual council meeting in Seoul and Beijing, alternately.

KCCI President Kim Sang-ha and CCPIT Chairman Zeng Hongye will each lead their side of the council, which will not only promote private-level economic exchange but also make policy recommendations to their respective governments, on matters concerning the bilateral economic relationship.

Minister Han said in his congratulatory speech, "The two economies, while seeking to continuously expand trade, should boost technological and industrial cooperation to develop an effective, bilateral division of labor relationship." He called for the private council to play a central role in seeking concrete cooperative means and ways for solving problems through an increased understanding of each other's economic systems and practices.

Chinese Minister Li said, "By combining China's abundant resources and labor with Korea's technology and capital, the two economies will be able to develop in reciprocal ways."

At an investment briefing session during the meeting, a Chinese official asked for Korean firms' participation, particularly in such areas as chemicals, textiles and steel, which he said are the major industrial areas in China's five-year development plan.

#### **Sichuan Attracting More South Korean Investors**

OW3009074792 Beijing XINHUA in English 0637  
GMT 30 Sep 92

[Text] Chengdu, September 30 (XINHUA)—Southwestern China's Sichuan Province is now attracting more and more investors from the Republic of Korea (ROK).

Chairman K.S. An [name as received] of Korean Zedex International Ltd said, "We have special feelings about Sichuan as we have the same habits and customs as Sichuan people."

Zedex International has begun to invest one billion U.S. dollars in the establishment of a food company in Xindu County, known as the hometown of Sichuan pickles.

The company is to establish another joint venture in Deyang city, involving a total investment of 1.20 million yuan (about 222,000 U.S. dollars).

The company will also produce draft beer equipment to meet the market demand.

Following the normalization of Sino-ROK relations, groups of businessmen from the ROK have been arriving to make inspections and investment.

A delegation from the Korea Trade Promotion Corporation, organized by the Korea Trade Center (Hong Kong), comprising the general managers from the Hong Kong branches of the ten top enterprises in the ROK, are now visiting Sichuan.

Chung Hae-su, head of the delegation, said: "The establishment of Sino-Korean relations will greatly promote the economic co-operation between the two countries."

He said that the ROK used to do a large amount of entrepot trade with Sichuan, but now it is time to shift to direct trade.

The Korea Trade Promotion Corporation also invited delegates from the financial institutions such as the Korea First Finance Company Ltd to participate in the inspection tour.

Current Sino-Korean trading activities focus on coastal Shandong Province and Bohai Bay.

However, many Korean businessmen are seeking a larger markets in the inland areas.

Southwest China's Sichuan Province, with its convenient transport facilities, unpolluted environment, abundant labor force and large market, seems an ideal place for Korean investors, according the Korean businessmen.

#### **DPRK Suggests Efforts Enhancing Relations**

OW0110032692 Beijing XINHUA in English 0216  
GMT 1 Oct 92

[Text] Pyongyang, October 1 (XINHUA)—The Democratic People's Republic of Korea (DPRK) and China should continue their efforts to further develop the friendship between them, the official DPRK newspaper NODONG SINMUN says today.

In an editorial marking the 43rd anniversary of the founding of the People's Republic of China, the paper says the friendship and cooperation between the DPRK and China are "very important" in the context of the current world situation, which "remains complicated."

Therefore, it hopes that the traditional friendship between the DPRK and China will be continuously strengthened and developed through the joint efforts of the two parties, the two countries, and the two peoples.

Good neighbors as they are, it says, the DPRK and China should further consolidate and develop their comradely friendship through mutual support.

#### **Ge Hongsheng Meets Japanese Official**

OW0110102592 Hangzhou ZHEJIANG RIBAO  
in Chinese 21 Sep 92 p 1

["Ge Hongsheng Meets Hiroshi Yasuda and His Party"—ZHEJIANG RIBAO headline]



[Text] On the evening of 20 September, Governor Ge Hongsheng met with Japan's Finance Ministry adviser Hiroshi Yasuda and his party at the Fiangzhou Xizi Hotel.

Yasuda and his party are visiting our country at the invitation of the Finance Ministry. They also are holding talks with our province's financial circles. Ge Hongsheng said that Zhejiang is stepping up its pace of reform, opening up, and economic construction and that Zhejiang wants to study and borrow Japan's knowledge and experience in the area of finance. He added that Zhejiang welcomes Japan's valuable suggestions on securing construction funds for Zhejiang and on accelerating the pace of economic construction in Zhejiang. Yasuda said that Japan will enhance financial exchanges with Zhejiang in the future.

Also attending the meeting were Yang Guangdi, deputy secretary general of provincial government; Zhao Jiafu, director of provincial Foreign Affairs Office; and responsible individuals from provincial financial circles Wang Yue, Weng Lihua, Wang Caiqin.

#### **Sino-Japanese Friendship Album Published**

*OW2909114092 Beijing Central Television Program One Network in Mandarin 1100 GMT 28 Sep 92*

[From the "National News Hookup" program]

[Text] An album of color photos to mark the 20th anniversary of the normalization of diplomatic relations between China and Japan has been compiled and published by the Liaoning Picture Album Publishing House. The late Comrade Li Xiannian wrote an inscription for the album before he passed away. Comrade Wang Zhen wrote the preface for the album. The album records the historical process of normalizing Sino-Japanese diplomatic relations by Sino-Japanese leaders Mao Zedong, Zhou Enlai, Kakuei Tanaka, Masasuke Ohira, and others, and friendly contacts between the peoples of the two countries.

#### **Guangzhou To Import Equipment From Japan**

*HK2509144792 Beijing ZHONGGUO XINWEN SHE in Chinese 1228 GMT 12 Sep 92*

[Text] Guangzhou, 12 Sep (ZHONGGUO XINWEN SHE)—A contract for the import of two sets of polythene and polypropylene installations to be used in the largest industrial project in the history of Guangzhou—a project of 115,000 metric tons of ethylene—was formally signed in Tokyo, Japan, yesterday.

According to GUANGZHOU RIBAO, these were the second and third sets of installations following the formal signing of the contract for the import of ethylene-splitting installations in Rome last January. Regarding the contract for the import of the two sets of installations signed yesterday, Japanese companies, such as the C. Ito Co. Ltd., the Tokyo Engineering Co. Ltd., the Mitsui

Shipbuilding Co. Ltd., and the Mitsui Petrochemical Co. Ltd., will jointly supply technology and equipment. An investment of approximately \$130 million is needed to import the two sets of installations, which will be offered by Japan in the form of export credits. Completion of the construction of this project is planned for the end of 1995, after which it will start operating.

Wu Liang, vice mayor of Guangzhou City, led a group to take part in the signing ceremony. He also made an on-the-spot investigation in Japan to study how to accomplish the development and construction of residual ethylene products.

### **Southeast Asia & Pacific**

#### **Li Ruihuan Meets Thai Businessman**

*OW0110101192 Beijing XINHUA in English 0943 GMT 1 Oct 92*

[Text] Beijing, October 1 (XINHUA)—Li Ruihuan, a Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met with Dhanin Chearavanont (name as received), chairman of the Chia Tai Group of companies of Thailand, and his party here this afternoon.

During the meeting, Li had a friendly talk with the visitors on issues concerning cultural exchanges and economic cooperation between the Chia Tai Group and relevant Chinese organizations.

Li said that China has made remarkable achievements in reform and opening to the outside world.

"We welcome people from all countries to develop their economic relations with China, and at the same time to conduct broad exchanges and cooperation with it in the fields of culture and art," he said.

Li appreciated the efforts that the Chia Tai Group has made in these fields.

Chearavanont said the future of China is very bright so long as it perseveres in its reform and opening to the outside world.

Yue Feng, vice-president of the China Association for International Friendly Contact, attended the meeting.

Chearavanont and his party arrived here on September 28 at the invitation of the Chinese association.

#### **Journal Interviews Singapore's Lee Kuan Yew**

*HK2309042592 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 36, 7 Sep 92 pp 3-5*

[Report on interview With Former Singaporean Prime Minister Lee Kuan Yew by Cai Ximei (5591 6932 2734); place and date not given: "Lee Kuan Yew Talks About China's Economic Reform and Assimilation of Eastern and Western Cultures"]

[Text] Lee Kuan Yew, senior Singapore cabinet minister, granted an interview to this reporter on 25 August during which he talked about the present state of and prospects for China's economic reform, Eastern and Western cultural traditions, as well as Singapore economic construction and clean administration. The interview is as follows:

**Retaining the Value of Chinese Culture and Assimilating the Essence of Eastern and Western Cultures**

When this reporter asked how Singapore assimilates the essence of Eastern and Western cultures, Lee Kuan Yew said: "Singapore did not have any blueprint to go by when it began to assimilate the essence of Eastern and Western cultures. Chinese, who account for 77 percent of Singapore population, grow up in Chinese families, where their parents instill traditional Chinese value concepts in them. For many years, up to the 1960's, children from most Chinese families studied in Chinese schools, received a Chinese education, and were imbued with Chinese value concepts."

He continued that it was fortunate that Singapore Chinese "could still retain a strong concept of value about Chinese tradition, which stresses family ties and is used to teach their children to be modest, hard-working, industrious, filially obedient, loyal, and law-abiding," whether it was during the 150 years of British colonial rule or when Singapore was opening up to the world and introducing a large amount of foreign capital over the last 30 years, during which Western work styles and value concepts poured into Singapore.

He said that Singapore has tried to preserve most traditional Confucian values, such as loyalty between rulers and officials, love between father and son, distinction between husband and wife, precedence between the old and the young, and trust between friends. But we must provide modern methods of expressing these values and must not allow these relations to be under petty influences or become biased, otherwise our merit-based appointments system could be destroyed. In the meantime, some revisions should be made to cope with the demands of today's industrial society.

Lee Kuan Yew said that Singapore had mainly learned science and technology and the cultural habit of solving problems with a rational attitude from the West.

On what he called the "cultural habit with rational methods," he said that you must be modest and must not allow yourself to be controlled by certain ideas or religious, social, or cultural prejudices when explaining or solving problems. When something accepted as truth in the past contradicts the actual situation or reality, you must be ready to reexamine your previous assumptions.

He cited an example to explain that he did not always think that capitalism was the best economic system. He said: "When I was young and a student, I objected to capitalism. I firmly believed the that world should be

more equal and more fair and that democratic socialism was a comparatively good system."

But when he discovered that social wealth had been reduced in Britain, Denmark, and Sweden and the people there had generally become poorer because these countries practiced welfarism, equality, universal medical services, and distributed a large amount of unemployment relief funds, he decided to reexamine his previous beliefs. And he made this conclusion: "Competition between individuals for higher wages is as necessary as unity among the masses. And these two must strive for a balance, such as the one between the feminine and the masculine. Therefore, I drew up all kinds of policies for Singapore to maintain this balance. I held firm to the principle of equal opportunity but I gave up the principle of equal wages regardless of performance."

**China's Economy Will Speedily Develop After Successes in Reform**

Lee Kuan Yew told this reporter: "There are bright prospects for China's economic development. Not only does China have good prospects, Chinese in different parts of the world, such as the ASEAN countries, Hong Kong, Taiwan, Europe, and the United States, where systems are different, have learned very fast and are quite successful."

He added: "China's problem is how to reform its economic system as soon as possible and prevent or reduce the sudden emergence of waves of unemployment or other serious social problems in order to prevent confusion and unrest."

China's economy will grow speedily after the completion of its market-oriented economic reform. When the Chinese mainland reaches Taiwan's current average GNP, its GNP will surpass those of Europe and the U.S. combined. This target could be reached in 50 years.

He was of the opinion that this would help strengthen peace, stability, and prosperity in East Asia and even throughout the world.

Lee Kuan Yew pointed out that there would be all sorts of problems in the course of China's economic reform and opening up and that provinces carrying reform and opening up would be more prosperous than hinterland provinces. He continued by saying that Guangdong had become China's most prosperous province. A primary school teacher in a Zhu Jiang Delta county earns more than a Beijing university professor. This seems unfair, but this abnormal phenomenon frequently occurs in the course of economic development, and there is generally unfairness in the initial period of economic development. Finally, people throughout the country will enjoy the benefits brought about by economic development.

He said: "People in the hinterland provinces will also enjoy the achievements of economic growth, they can go to special economic zones to work; for example, they can go to Shenzhen, Zhuhai, and Xiamen. They can learn

new technology. Some of them will go back and run small business. This will be of help to opening up their communities."

He pointed out that it is difficult for China to control where foreign businessmen make their investments. Foreign investors will select regions they think are most profitable, such as Guangdong, because they can take advantage of Hong Kong's facilities, including its ports, airport, telecommunications, banks, financial organizations, and warehouses.

He said that the flow of foreign capital and foreign businessmen into China will produce a favorable impact on China's industry and commerce. When foreign investors make investments in these fields, this proves that local suppliers lack efficiency or their number is inadequate. China's enterprises may learn operational methods from these foreign-invested enterprises to improve their own operational methods. Chinese who work for foreign-invested enterprises can learn how these enterprises operate. When they leave these enterprises and work for Chinese companies, they can teach their compatriots about the knowledge and technology they have learned.

Lee Kuan Yew said that China should welcome this impact. The purpose of reform and opening up is to produce the biggest impact on domestic industry so that there is continuous learning and improvement in these industries.

He took Japanese supermarkets in Singapore as an example in explaining this. These supermarkets have introduced high-technology in terms of the purchasing and display of goods and have used more attractive methods to customers. Apart from this, they have also trained Singaporean personnel. After seeing that Japanese operational methods were better, Singaporeans running supermarkets began to employ people who had worked for Japanese companies and adopted Japanese companies' methods to compete with these companies.

He pointed out that the most important precondition for making foreign impacts favorable is to be willing to accept new concepts and progress, regardless of who introduces these.

#### **The Test Criterion for Enterprises Is Their Profitability**

In recent years Lee Kuan Yew has paid close attention to the process of China's reform and opening up. According to Singapore's experience in improving its economy, he pointed out that one of the reasons why some large and medium-sized enterprises in China cannot operate effectively is a lack of an improved price fixing system and accounting system; therefore, they also lack objective criterion to judge enterprise profitability.

He said that this problem can only be solved by introducing basic reform and a market economy. Different enterprises should conduct competition and pay wages and spend raw materials according to market prices. The

criterion for testing an enterprise is its profitability. State-owned enterprises which cannot make profits after reform must be closed.

He said that Singapore state enterprises can all make profits, otherwise their leaders would have been changed or these enterprises would have been closed. Like private companies, these state enterprises have certain pricing and accounting procedures. Their profit and loss accounting is very clear.

He continued by saying that large state enterprises which do not conform with economic principles or operate efficiently will continue to suffer serious losses. In a certain period, it will be wiser to close them than to continue to provide subsidies for them. Then annual subsidies will be provided as unemployment relief funds for unemployed staff members and workers for limited periods, say two to three years. They must be able to find other jobs within this period. Employment opportunities will increase following the growth and expansion of new industries and service centers. Providing unlimited subsidies for loss-making industries is a terrible move which wastes taxes, capital, and human resources.

He pointed out that the Singapore Government encourages monopoly undertakings, such as bus and electric power franchises. Take bus franchises as an example. We allow two companies to operate different routes, this is to compare their operational costs. In the meantime, a control organization composed of famous commercial leaders and well-known personalities with rich experience is set up over the companies to examine their costs and approve prices. On the one hand, this guarantees that the annual capital gain will remain at a rational levels ranging from 7 to 9 percent; on the other, expenditure will remain at a low level through effective management.

Lee Kuan Yew said: Singapore has not privatized water, power, and gas supplies, which involve the people's basic lives. Singapore has been very cautious on this issue.

On mutual coordination between China and foreign businessmen, Lee Kuan Yew said: The main obstacles foreign investors encounter in China are, first, difficulties in obtaining information, and second, a lack of complete laws to protect them. Some laws have been adopted but their implementation is ineffective, thus dampening investors' confidence in the Chinese legal system. In particular, the relevant documents have been reported by some U.S. publications including "COMMENTS ON CHINESE COMMERCE." He said such publicity is unfavorable to China.

He suggested that China should form a reliable commercial legal structure to protect investors' rights and interests from being trampled on.

#### **The Singapore Government's Measures to Maintain Clean Administration**

During this interview, Lee Kuan Yew also talked about Singapore's important experience in running clean administration.



He said that these experiences are that all work regulations concerning the powers of government official have been made as concise and explicit as possible. In this way, behavior violating these regulations is apt to cause suspicion or complaints.

Government officials' powers to handle matters individually are reduced as much as possible, such as their power to approve licenses and permits.

All government officials have been trained and are required to take a just attitude in carrying out the relevant regulations.

Singapore practices a dual inspection system to ensure that an official's decision is subjected to another official's examination or supervision.

Lee Kuan Yew talked about Singapore's practice of using high salaries to maintain clean administration. He said that Singapore Government functionaries' salaries are quite good, therefore a bribed public servant will face the danger of losing his job and retirement fund.

Lee Kuan Yew added that Singapore has effective anti-corruption laws and a powerful anticorruption bureau. No matter what ministers and officials are involved in corruption, they will be investigated and dealt with according to law.

He stressed that, of course, top government leaders must serve as good examples. No one can go beyond the law, otherwise people will doubt and ridicule the significance and righteousness of the law.

When this reporter asked if there was contradiction between feelings and sensibility in the course of law enforcement, Lee Kuan Yew said: "It is a difficult thing to take action to deal with a friend or minister you have known for many years. But if no action is taken and he is allowed to go unpunished, the whole system could be ruined and our clean administrative system formed over the last 30 years could soon become weak and be reduced to nothing."

He cited his personal experience by saying: "If the prime minister carries out abnormal interference to prevent a high-level person who has close relations with him from being punished according to the law, this cannot be kept secret absolutely. As a matter of fact, he is guilty of a more serious crime because of his high position. Therefore, now matter how difficult it is, I would submit this matter for legal action and would not stand in the way."

#### **Inner Mongolia's Bu He Ends Singapore Visit**

*OW3009052992 Beijing XINHUA in English 0259 GMT 30 Sep 92*

[Text] Singapore, September 30 (XINHUA)—Bu He, chairman of the Inner Mongolia People's Government left here today for Malaysia after ending a four-day visit to Singapore.

Bu He told XINHUA before departure that during the visit, the Inner Mongolia People's Government signed an intention on trade and culture cooperation with the Overseas Emporium Group of Singapore.

Singapore has set up seven joint ventures in Inner Mongolia. Under the intention, the Overseas Emporium Group would explore more trade and investment in Inner Mongolia.

When Bu He visited the Trade Development Board of Singapore, the Singapore Chinese Chamber of Commerce and Industry, he said his government welcomes more Singapore and foreign businessmen and investors to visit Inner Mongolia.

Inner Mongolia, he said, is rich in natural resources. For instance, the proven coal reserves amount to 197.4 billion tonnes, ranking second in China.

Bu He and other five high officials of Inner Mongolia arrived here last Saturday at the invitation of the Economic Development Board (EDB) of Singapore and Overseas Emporium Group, one of the biggest trade firms in Singapore.

## Political & Social

### National Day Celebrations, Activities Reported

#### Party, State Leaders at Reception

OW0110024892 Beijing XINHUA Domestic Service  
in Chinese 1514 GMT 30 Sep 92

[By reporter Sun Benyao (1327 2609 1031)]

[Excerpts] Beijing, 30 Sep (XINHUA)—Premier Li Peng of the State Council gave a grand reception this evening at the banquet hall in the Great Hall of the People to warmly celebrate the 43d founding anniversary of the PRC.

Party and state leaders and more than 1,000 people from all walks of life and distinguished guests from various countries and regions happily gathered at the hall to celebrate the Chinese people's glorious festival.

The banquet hall was brilliantly illuminated this evening. Hung on the central backdrop of the rostrum was a large national emblem, with five bright red banners on either flank. Decorated under the national emblem were these years: 1949-1992. Colorful fresh flowers were placed around the rostrum. People beamed with smiles, and the hall was permeated with an atmosphere of jubilation.

At 1800, Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, and other party and state leaders entered the banquet hall and took their seats on the rostrum.

The reception began as a military band played the national anthem. [passage omitted]

Following Li Peng's speech, party and state leaders toasted Chinese and foreign guests and chatted cordially with them. The reception was permeated with a warm atmosphere of unity and friendship from beginning to end.

Also seated on the rostrum were Tian Jiyun, Li Tieying, Li Ximing, Yang Rudai, Wu Xueqian, Qin Jiwei, Ding Guangen, Zou Jiahua, Zhu Rongji, Liu Huaqing, Yang Baibing, Wen Jiabao, Ji Pengfei, Yan Jici, Rong Yiren, Ye Fei, Sun Qimeng, Lei Jieqiong, Song Jian, Wang Fang, Li Guixian, Chen Xitong, Chen Junsheng, Qian Qichen, Fang Yi, Hong Xuezhi, Gu Mu, Qian Weichang, Cheng Siyuan, Luo Gan, and Chi Haotian.

Also seated on the rostrum were head of state of Cambodia Prince Norodom Sihanouk, his wife, President of the Inter-Parliamentary Council Sir Michael Marshall, and former British Prime Minister Sir Edward Heath.

In addition, present at the reception were leaders of central party, government, and military leading bodies; leaders of national trade union, youth, and women's organizations; and leaders of various democratic parties and Beijing Municipality.

#### Li Peng Speaks

OW0110010592 Beijing XINHUA Domestic Service  
in Chinese 1327 GMT 30 Sep 92

[Speech by Premier Li Peng at a reception marking the 43d anniversary of the founding of the People's Republic of China in Beijing on 30 September]

[Text] Beijing, 30 Sep (XINHUA)—Distinguished guests, friends, and comrades:

We have happily gathered here today to mark the 43d anniversary of the founding of the People's Republic of China. On behalf of the CPC Central Committee and the State Council, I wish to express our festive greetings and cordial regards to workers, peasants, intellectuals, cadres, commanders and fighters of the People's Liberation Army and the Armed Police Force, and public security personnel of all nationalities, as well as patriots from all circles; countrymen in Taiwan, Hong Kong and Macao; and Overseas Chinese! On behalf of the Chinese Government and people, I wish to extend our warm welcome to our foreign guests and diplomatic personnel attending this reception! And I want to express our wholehearted thanks to foreign friends who care for and support China's modernization drive!

Over the past 43 years, Chinese people of all nationalities, under the leadership of the CPC, have fought hard in unity to build our country, and the outlook of China has undergone profound changes. Especially in the past 14 years following the Third Plenary Session of the 11th CPC Central Committee, we have achieved world-renowned successes in making positive efforts to reform, open to the outside world, and liberate and develop the productive forces in our society in pursuit of the party's basic line in the initial stage of socialism.

This year, inspired by the talks which Comrade Deng Xiaoping made during his inspection tour in southern China and the guidelines of the Plenary Session of the CPC Central Committee Political Bureau, people throughout the country have continued to emancipate their minds; seek truth from the facts; and seize the opportunity to expedite reform, opening up, and economic construction. The situation is gratifying. National economic development has accelerated noticeably. In the rural areas, the economic development has been active and bumper crops have been harvested. Industrial production is growing. The development of tertiary industries is picking up speed. The domestic market is brisk and commodity prices are quite stable. In foreign trade, a good momentum of growth continues. People in all quarters are aware of certain shortcomings and problems appearing during the course of economic development, and they are taking positive and proper measures to deal with them. The restructuring of the economic system—which focuses on separating government control from business operations and replacing business operating mechanisms—and the reforms being carried out in other sectors have continued to deepen. As the nation keeps opening itself to the outside world, a new

pattern characterized by the opening of provincial seats and cities along the coast, rivers, and border areas to the outside world has taken shape. Foreign businessmen have been active in investing in China, the scope of that investment has broadened, and the amount of money they have invested in China this year has exceeded any other year in the past. The development of education, science and technology, culture, public health services, and sports is making gratifying progress. The Chinese People's Liberation Army has made new headway in its revolutionization, modernization, and regularization. China today enjoys economic growth, political stability, and social tranquillity, and the livelihood of people living in urban and rural areas is improving. The 1.1 billion Chinese people are marching forward in big strides with full confidence along the road of building a socialist society with Chinese characteristics.

Experience has fully proved that the party's basic line, guided by Comrade Deng Xiaoping's theory about building a socialist society with Chinese characteristics, is the correct line leading China to become a strong, democratic, civilized, and modern socialist country. If we firmly and fully implement this basic party line, our cause can withstand the tests of all storms and it is very likely that we will be able to build China into a strong country and revitalize the nation.

We should concentrate on the central task of economic construction without wavering. We should work hard to bring our economy up to a new level every few years and do an even better job in attaining the second-step strategic objective of our modernization program by achieving a comfortable living standard for our people by the end of this century. In order to maintain the good trend of development of our national economy and realize the long-term economic development objectives, we should further readjust and optimize industrial structure; attach great importance to agriculture, basic industries and infrastructural construction; and actively develop tertiary industries. We should accelerate scientific and technological progresses, exert great efforts to improve education, give full play to the role of intellectuals, actively promote the integration of the economy with science and technology and education, and turn extensive economic operations into intensive operations. We should take full advantage of the strong points of various localities, accelerate regional economic development, and gradually rationalize the geographic distribution of the nation's economy. After enhancing economic efficiency and optimizing the economic structure, we must ensure a steady growth of the national economy at a fairly high rate. We should continue to deepen the reform. In the economic restructuring, we will speed up the development of a market system, let the market play a bigger role, improve the macro adjustment and control by the state and promote development of the national economy. We should strive to promote the reform of the management system for science and technology, education, and culture. We should actively promote the reform of the political structure [ji ji tui jin zheng zhi zhi du gai

ge 4480 2817 2236 6651 2398 3112 0455 1653 2395 7245], and step up the building of socialist democracy and the legal system. To meet the needs of reform and development, we should make great efforts to reform the administrative system and organizations, change the functions of the government, streamline organizations, and enhance efficiency. In all reforms, we should boldly explore, actively experiment, and constantly sum up experience.

We shall open our door still wider to the outside world. As required by the new pattern of all-directional opening up, we shall continue to deepen the reform of our foreign trade system; strive to improve our investment environment; further expand trade and economic and technological exchanges with other countries; and try to get more overseas capital, resources, and technical and managerial expertise and put them to good use. We will conscientiously draw upon and absorb the advanced achievements of human civilizations, including those of developed capitalist countries, to serve China's socialist modernization drive.

The fundamental interest of the people of all nationalities in our country lies in stability and unity. We must uphold the four cardinal principles to provide an effective political guarantee for reform, opening up, and economic construction. We should continue to persist in building the material civilization and the spiritual civilization simultaneously, exert great efforts to build a clean and honest government, resolutely oppose corruption and other vices, carry out an education in the party's basic line and in patriotism and collectivism, constantly raise the level of spiritual civilization in the entire society, and promote the comprehensive progress of society.

Friends and comrades, the 14th National Congress of the Communist Party of China will soon be held. It will be an important event in the political life of our country. The people of all nationalities across the country are displaying great enthusiasm for reform and construction to usher in the congress. We believe that the 14th National CPC Congress will give a fresh impetus to China's reform, opening-up and its economic construction, and become an important milestone in the history of the CPC and China's socialist modernization.

Friends and comrades, it is the common wish of the people of all nationalities of China, including the compatriots in Taiwan, Hong Kong and Macao and Overseas Chinese, to see an early reunification of the motherland. We will stick to the policy of "peaceful reunification" and "one country, two systems," and work hard to advance the great cause of reunification. We hope that the Taiwan authorities will heed the will of the people, perform more actual deeds to increase interchanges and economic cooperation between the two sides of the straits, and contribute to reunification of the motherland. We would like to maintain and promote a relaxed atmosphere in the region of the Taiwan Straits. We can



never condone, but will firmly oppose any action which undermines relaxation, stability and peace in the region.

It is the firm policy of the Chinese Government to facilitate a smooth transfer of government and maintain long-term stability and prosperity in Hong Kong and Macao. We are convinced that, with the close Sino-British and Sino-Portuguese cooperation as well as the concerted efforts by all the compatriots in Hong Kong and Macao, this goal will certainly be attained on the basis of the Sino-British Joint Declaration on the Question of Hong Kong and the Sino-Portuguese Joint Declaration on the Question of Macao.

Friends and comrades, over the past year, profound and complicated changes have taken place in the world, which continues to move toward multipolarity. People all over the world have been making unremitting efforts for peace and development, yet our planet is still far from tranquil. Hegemonism and power politics remain the major destabilizing factors. Ethnic conflicts and territorial disputes have been reported frequently in some countries and regions and development in the South and North is still seriously unbalanced. Solving the two main issues—peace and development—that are the concern of humankind still requires the remitting efforts of people of all countries.

Faced with this turbulent and volatile international situation, China steadfastly pursues an independent foreign policy of peace and has made its contributions to maintaining world peace and promoting common development. This year, China has established diplomatic relations with 15 countries, including the republics of the Commonwealth of Independent States (CIS), the State of Israel and the Republic of Korea. This has brought to 154 the number of countries having diplomatic ties with China. China's international standing is getting higher, its influence greater.

China attaches importance to forging good-neighborly relations with the surrounding countries. It is our unshakable policy to constantly develop our traditional friendly relations and cooperation with the Democratic People's Republic of Korea. And the Chinese Government and people will continue to work for the relaxation of tension on the Korean peninsula so as to facilitate the independent peaceful reunification of Korea. China values its good-neighborly relations with Vietnam. Since normalization, Sino-Vietnamese relations have recovered and developed satisfactorily. The problems left over from the past should be settled through negotiations. While maintaining our sovereignty over the Nansha Islands, we have put forward the reasonable proposal of setting aside disputes and engaging in joint exploration in order to preserve peace and stability in Southeast Asia. By beginning a dialogue process, China's friendly relations with ASEAN have entered a new era of all-around expansion. China's amicable relations with the South Asian countries have continued to develop. Sino-Japanese friendly cooperation is steadily expanding into new areas. We look forward to the goodwill visit by the

Japanese emperor and empress to China, which will surely be a complete success. Our relations with Russia, the Central Asian republics and other countries are also witnessing positive development.

It is a cornerstone of China's foreign policy to strengthen solidarity and cooperation with developing countries. Our relations with the countries in the Middle East, Latin America, Africa and the South Pacific are becoming ever closer. Our economic relations and trade as well as scientific and technological and cultural exchanges with those countries are increasing with each passing day. The Nonaligned Movement has formally admitted China as an observer. China's relations with the Group of 77 have grown closer. In a word, China, as a developing country itself, is always a reliable friend of the other developing countries.

China's political and economic exchanges, as well as its scientific and technological and cultural contacts, with West European countries have been steadily expanding, and the prospects look good. The Chinese Government is ready to work for the development of a long-term and stable relationship of friendship and cooperation with West European countries on the basis of seeking common ground while putting aside differences, as well as mutual respect, equality and mutual benefit.

China has always attached importance to Sino-U.S. relations. The principles enshrined in the three Sino-U.S. joint communiques are the basis for the relations between the two countries. No act that violates and undermines those principles, and interferes in China's internal affairs is acceptable. We believe that as long as both sides strictly observe those principles and jointly take positive steps, difficulties can be overcome and Sino-U.S. relations can develop healthily.

China is an important force firmly dedicated to maintaining world peace. It never seeks hegemony or spheres of influence, nor does it have any intention to fill any vacuum. It is likewise firmly opposed to hegemonism and power politics as well as interference in other countries' internal affairs. No matter how the international situation may change in the future, China will persistently develop friendly relations and cooperation with other countries on the basis of the Five Principles of Peaceful Coexistence, and make positive contributions to the establishment of a fair and rational new international order, the maintenance of world peace, and the promotion of human progress.

Now, I would like to propose a toast to:

the 43d anniversary of the PRC's founding;  
the grand unity of people of all nationalities;  
the prosperity of the motherland and the happiness of the people;  
the friendship between the Chinese people and people all over the world;  
world peace and development;  
the health of the guests, diplomatic personnel posted in China and their spouses; and

the health of friends and comrades.

### **Jiang, Others Attend Soiree**

*OW0110071392 Beijing XINHUA Domestic Service in Chinese 1355 GMT 30 Sep 92*

[By reporter Zou Aiguo (6760 1947 0948): "Soiree With Theatrical Performances Staged in Capital To Mark 43d National Day"]

[Excerpt] Beijing, 30 Sep (XINHUA)—More than 8,000 personalities from various circles in the capital, each of them holding a large red invitation in their hand, arrived at the Great Hall of the People this evening to attend a soiree with theatrical performances to mark the 43d anniversary of the founding of the People's Republic of China.

Laughter and cheery conversations could be heard everywhere in the Great Hall of the People, which was decorated for the festive celebration. A horizontal scroll hung on the second floor read: "Uphold the Party's Basic Line; Accelerate Reform, Opening Up, and Modernization; and Greet the Convening of the 14th CPC National Congress."

Jiang Zemin, Yang Shangkun, Li Peng, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, Li Tieying, Yang Rudai, Qin Jiwei, Liu Huaqing, and other leading comrades, together with representatives of the workers, peasants, intellectuals, and officers and men of the People's Liberation Army in the capital, spent an unforgettable evening that was filled with festive events.

### **RENMIN RIBAO Carries Editorial**

*OW3009173192 Beijing XINHUA Domestic Service in Chinese 1051 GMT 30 Sep 92*

[RENMIN RIBAO 1 October editorial: "Look at This Vast Divine Land; It Is Full of Life—National Day Message"]

[Text] Beijing, 30 Sep (XINHUA)—The air is crisp in this golden fall. Like a hardy tree, our Republic has marked another growth ring.

While this 43-year expeditionary course has been an unusual one, the tremendous changes occurring over the past 14 years are even more unforgettable. What is particularly encouraging is that, since early this year, people of all nationalities in this country—under the guidance of the important talks which Comrade Deng Xiaoping made during his southern China inspection and the guidelines put forth by the Plenary Session of the CPC Central Committee Political Bureau, and under the leadership of the party Central Committee with Comrade Jiang Zemin as the core—have been striving in unity to reach a new stage of national economic development, and that China's reform, openness, and modernization drive has entered a new stage of vigorous development.

Looking at the promising countryside, we can see that responsibility systems, especially the system of contracted operations with remuneration based on family output, have been further stabilized, and so the 900 million reassured peasants there are working hard with ample enthusiasm. Agricultural production has increased, and our rural enterprises are full of vigor. Looking back at our thriving cities, the tens of thousands of large and medium-sized state enterprises are earnestly carrying out those regulations concerned with replacing their operating mechanisms. They are doing away with outmoded rules, blazing new trails, and heading toward the market with large strides. Independent, privately-owned businesses and the three types of foreign-funded enterprises [joint ventures, cooperative enterprises, and enterprises owned by foreign businesses] are also growing rapidly. Government at all levels is actively switching responsibilities and functions so that it can serve economic construction with greater efficiency. The pace of opening up to the outside world has greatly accelerated. Open belts along the coastal areas have opened even wider to the outside world. Many cities and rural locales along border areas and rivers as well as in China's hinterland are rousing themselves to catch up, thereby creating a new, all-directional and multilevel pattern of opening up to the outside world. A new socialist economic system imbued with life and vitality is being constructed at an accelerated speed.

Today, the people in this sprawling divine land, be they in cities or the countryside, in coastal areas or the hinterland, are all talking about reform, opening up, the future, and development. Everywhere there is teeming high enthusiasm. Whatever they have decided to do, they will go ahead and try it out and explore with daring. Such a spirit can be observed everywhere. This excellent situation of reform and opening up has boosted the morale of people throughout the country, and it has gratified and inspired Chinese people living overseas.

Reform and opening up have required mental emancipation, which in turn has expedited reform and opening up. Comrade Deng Xiaoping's theory about building a socialist society with Chinese characteristics is a powerful weapon for mental emancipation. Displaying the Marxist revolutionary initiative and using the scientific approach of seeking truth from the facts, while observing things from a strategically advantageous position, Comrade Deng Xiaoping has incisively and penetratingly answered a series of major theoretical and practical issues in the talks which he made during his inspection tour in southern China. His talks have eliminated the mental fog which impeded our march forward, and they have further reinforced and developed the theory of building a socialist society with Chinese characteristics. As result of earnestly studying these talks, hundreds of millions of cadres and masses have achieved a new leap forward in their awareness. This is another mental emancipation having far-reaching significance since the

Third Plenary Session of the 11th CPC Central Committee, and this mental emancipation is becoming a powerful material force triumphantly pushing reform and opening up forward.

Reform and opening up is for the people, and reform and opening up must depend on the people. The people, the creators of history, are the masters of our country. We will not be able to achieve anything without support from the people. The basic system of socialism is one which works for the benefit of the people, but the old economic system restricted the development of productive forces and obstructed the manifestation of the superiority of the socialist system. The restructuring of the economic system and the reforms being carried out in various other sectors under the premise of upholding the basic system of socialism are formidable and complex historical projects which cannot be accomplished without the understanding, support, and participation of the vast numbers of the people. During the course of reform, leading cadres at all levels must therefore bear firmly in mind their goal of serving the people wholeheartedly and adhere to the mass line of "coming from the masses, and going to the masses."

Innovative causes are calling innovators, and innovative causes create innovators. The construction of a socialist society with Chinese characteristics is an extremely great innovative cause requiring a contingent of revolutionary, young, knowledgeable, and professional cadres as its main support. It is gratifying to know that such outstanding personnel keep emerging from the large waves of reform and opening up. "In this land, talented people appear in all generations." This is the hope for national revitalization, and the hope for building a strong and prosperous country. For those cadres who are brave and reform and innovate, we should care for them, give them active support, and provide them stronger guidance so that they can play a more significant role in reform and opening up.

As the situation keeps improving and development keeps picking up speed, it is more necessary for us to remain sober. We must keep this in mind: Throughout the entire course of reform, opening to the outside world, and modernization, we must fully implement the party's basic line of "one center and two basic points" and we must always safeguard political stability and unity. We must firmly bear in mind that just as rightist deviation can bury socialism, so can "leftist" deviation. While remaining vigilant against rightist deviation, China must mainly pay attention to guarding against "leftist" deviation. We must firmly bear in mind that while we proceed with material construction, we must also attach importance to spiritual construction, and that while we proceed with reform and opening up, we must also crack down on all kinds of crime. We must firmly bear in mind that while opening to the outside world and bringing in and assimilating all the good things from abroad, we must also resist the inroads of those things which are decadent. During the course of reform and opening up,

we must integrate revolutionary spirit with scientific attitudes and integrate lofty ideals with actions.

The future is bright, the mission is grandiose, and the opportunity is rare. The forthcoming 14th National CPC Congress, which will draw up a grand plan for rejuvenating China during the 1990's and in the next century, will be a meeting of far-reaching significance. As long as we uphold Comrade Deng Xiaoping's theory about building a socialist society with Chinese characteristics as well as the party's basic line, our People's Republic certainly can march forward courageously along the course of reform, opening up, and building a strong China, and China certainly will become a comparatively well-off and developed country!

### **'Large Crowds' Gather in Tiananmen on National Day**

*HK0110111592 Hong Kong AFP in English 1037 GMT 1 Oct 92*

[By Philippe Massonnet]

[Text] Beijing, Oct 1 (AFP)—Under the watchful eye of thousands of police Beijing residents returned en masse to Tiananmen Square Wednesday and Thursday to celebrate China's National Day, the first time large crowds of locals have gone there since 1989.

From the time it opened Wednesday evening hundreds of thousands wandered around the huge floral displays in the square in the largest turn out the area has seen since crowds gathered there to demonstrate support for the pro-democracy movement, crushed in June 1989 by the People's Liberation Army.

"It's the first time I have come to the square since June 4," said a teacher holding his young son in his arms. He did not have to mention the year.

"We will never forget, but over time you get used to it," he added, before posing for a photograph in front of a flower display, containing the inevitable Olympic symbols, a bid to boost China's bid to host the 2000 Games.

In contrast to the last three years, when the square has largely been abandoned to provincials on holiday in the capital, this year local residents have decided to return to tradition.

"Since last year fewer people have snubbed the National Day festivities, but tonight (Wednesday), it's incredible," said a young woman gazing at the throngs around an illuminated fountain under the massive portrait of Mao Zedong.

From sunset Wednesday people began flocking to the square hemmed in by lines of police stretching for kilometres (miles), who have been firmly, but politely telling cyclists to leave their bicycles behind.

To avoid any incidents security in Beijing and other major cities has been beefed up over the last two weeks,



while, to make the point that the authorities will stop at nothing to ensure social stability, the newspapers have run stories of arrests and executions.

Indifferent to the police as well as to the laser signs welcoming delegates to the 14th Communist Party Congress, which opens here October 12, members of the crowd have taken the opportunity to savour the experience of being in the square without demonstrating any particular joy.

"Beijing residents demonstrated their scorn of their leaders in 1989, and they don't approve of them any more now," said the young woman. "But they think that the economic reforms of the last few months are encouraging."

"In the absence of democracy, many people are taking advantage of the chance to get enough to eat and drink and to try to make some money," explained a former student, adding that those rights also formed part of the demands which brought Beijing residents on to the streets in 1989.

Under grey skies Thursday the square took on a provincial air with thousands of peasants wandering around in their Sunday best, and fewer police.

The city's parks had been invaded by children and young couples taking advantage of the three day holiday, while other residents packed the restaurants for lunch, including McDonald's, which did a roaring trade next to Tiananmen.

#### Deng To Act Against 'Leftist Lords' at Congress

HK0110091792 Hong Kong PAI HSING in Chinese No 273, 1 Oct 92 p 4

["Special dispatch from Beijing": "Deng Xiaoping To Act Against 'Leftist Lords'"]

[Text] After months of waiting, the 14th CPC National Congress will finally open in Beijing on 12 October.

People have placed much hope on this 14th party congress, which follows Deng Xiaoping's southern tour. Except for the addition of the new words "socialist market economy," however, there is nothing new in the report that will be delivered at the 14th party congress, which has recently been the subject of much deliberation.

The full 10,000-character text of the political report is divided into four parts: 1) Experience and Outcome—A Summary of Results Over the Past 14 Years (From the Third Plenary Session of the 11th CPC Central Committee in December 1978 Up to the Present); 2) With Economic Construction as the Center, Concentrate All Energies on Improving the Economy; 3) International Relations and China's Foreign Relations; 4) Strengthen and Improve Party Building.

On the surface, reform and opening up is being implemented in the country on a grand and spectacular scale,

and enthusiasm for the central task of economic construction is very high. The "leftist lords and generals" seem to be on the retreat or are temporarily lying low. In reality, however, this is not the case, for rumors have been rampant and spreading far and wide in recent days, including reports about the deterioration of Deng Xiaoping's health, which was even blamed as the cause of the recent plunge of share prices. Some people suspect that these rumors are coming from "leftists" who have malicious intentions. In fact, Deng Xiaoping is in very good health at the moment and has returned to Beijing from Beidaihe.

Being held under a one-party dictatorship, CPC congresses always end up focusing on personnel matters, which also constitute the center of the most intense struggles. As Deng Xiaoping is noted for his balancing act, it was once rumored that the 14th party congress would be heavily tainted with the air of compromise. According to the latest news, however, Deng Xiaoping seems to have realized the importance of his last chance and has decided to respond to the people's hopes by acting against the highly unpopular keepers of the leftist ideology.

According to reliable sources, a recent meeting of the CPC Central Committee's Political Bureau decided that four ministerial level cadres will step down from office, specifically: Wang Renzhi, head of the Central Propaganda Department; He Jingzhi, acting minister of culture; Gao Di, director of RENMIN RIBAO; and Mu Qing, director-general of the XINHUA NEWS AGENCY. The candidates assigned to take over these posts are: Zheng Bijian [6774 1801 1017] as head of the Central Propaganda Department (currently vice president of the Chinese Academy of Social Sciences and a former secretary of Hu Yaobang); Liu Chongde [0491 1504 1795] as minister of culture (currently deputy head of the Central Propaganda Department); Shao Huaze [6730 5478 3419] as director of RENMIN RIBAO (currently editor in chief of the newspaper, comes from the People's Liberation Army and is recommended by Yang Baibing); and Guo Chaoren as director-general of the XINHUA NEWS AGENCY (presently deputy director-general of the XINHUA NEWS AGENCY).

That the personnel changes mentioned above were personally decided and approved by Deng Xiaoping gives hope to the people. Everyone looks forward to the country being run by people who really understand economics after the 14th CPC National Congress. If, however, Deng Xiaoping continues to engage in balancing acts by resorting to compromises at this meeting, his last chance, then his southern tour will become an exercise in futility.

Meanwhile, Hu Qiaomu is seriously ill with cancer, and it is merely a matter of time before he passes away. [sentence as published]

**Deng Said To Want Rehabilitation of Key Zhao Aides***HK0110054092 Hong Kong SOUTH CHINA MORNING POST in English 1 Oct 92***[Report by Willy Wo-lap Lam]**

**[Text]** Patriarch Mr Deng Xiaoping has given instructions for the full rehabilitation of two key aides to former party chief Mr Zhao Ziyang.

However, Chinese sources said yesterday the "Zhao Ziyang question"—including the official verdict on his involvement in the 1989 pro-democracy movement—would not be mentioned in the political report to be delivered to the upcoming 14th Party Congress.

This is despite the fact that the report would enshrine "the theory of Deng Xiaoping" as the nation's guiding philosophy for 100 years.

According to Chinese sources, Mr Deng had recently indicated that ex-member of the Politburo Standing Committee, Mr Hu Qili, and the former head of the United Front Department, Mr Yan Mingfu, should be promoted at the Congress.

"Comrades Qili and Mingfu made substantial contributions to reform during the past 10 years," Mr Deng said.

"They did make mistakes during the spring of 1989. However, after June 4, they fully obeyed the decisions of party authorities and they have acquitted themselves well in their new positions."

In mid-1990, Mr Hu and Mr Yan were partially rehabilitated when they were appointed respectively Vice-Minister of Electronics and Vice-Minister of Civil Affairs.

An informed source said Mr Hu was a candidate for either the Politburo or the Central Committee Secretariat.

"Before June 4, 1989, Hu used to look after ideology and propaganda," the source said.

"There is a possibility his new job on the Secretariat or Politburo would be to assist (Politburo member) Li Ruihuan in looking after this important area."

Mr Yan, who is a protege of both Mr Zhao and President Mr Yang Shangkun, is tipped to head a newly created Cultural Work Committee of the Party.

The committee will lay down policies in areas including propaganda, culture, and entertainment.

However, for the apparent reason of maintaining unity among the disparate factions, Mr Deng is determined to put on hold the "question of Zhao Ziyang".

Chinese sources said the treatment to be meted out to Mr Zhao was not on the agenda of the congress.

Nor would the 1,911 delegates deliberate over a possible new verdict for the June 4 incident, which is still classified as a "counterrevolutionary rebellion".

The report will endorse "Deng Xiaoping Theory" as the guiding spirit of the party and the nation.

The bulk of the report, which runs to more than 10,000 characters, is devoted to how China's Stalinist economy will be transformed into a "socialist market economy".

The document is divided into four parts.

The first deals with the success of the reform and open door policy since it was launched by Mr Deng in late 1978.

The second, and most important, part of the report is entitled "Put economic construction as the core (of party work) and concentrate our energies on developing the economy".

The document spells out the principles under which state planning will be pared down and market mechanisms promoted.

For example, state companies will have to change their "management functions" so that they will be run in response to market signals.

Moreover, quasi-capitalistic mechanisms such as stock exchanges and shareholding companies will be introduced on a large scale.

The third section of the report, which is about diplomacy, will be devoted to areas including how to handle the crisis in Sino-American relations.

"While pointing out that the CCP [CPC] treasures bilateral ties, the party will send a strong message to Washington that the latter must cease putting pressure on China under pretexts such as human rights or trade imbalances," a source said.

The last section deals with strengthening and improving party construction, including ways in which the CCP can propagate reformist-minded cadres.

While the report repeated Mr Deng's dictum that the party's priority task is fighting "leftism", or Maoist values, it also warns against the dangers of "bourgeois liberalisation" and the plot to turn China capitalist through "peaceful evolution".

Political analysts said Mr Deng had decided he would not handle in the few years left him thorny issues like responsibility for the June 4 crackdown.

### Party Struggle Over Personnel Arrangements Viewed

HK0110100292 Hong Kong PAI HSING in Chinese No 273, 1 Oct 92 p 4

["News from Beijing" by special correspondent: "Deng, Chen Reach Agreement Not To Change Jiang-Li Structure"]

[Text] Much has been said about top level personnel appointments for the 14th CPC National Congress. Following a tedious and complex struggle within the party, Deng and Chen finally reached a compromise in mid-September and decided that the Jiang-Li structure would remain unchanged. Specifically, Jiang Zemin will remain general secretary, and Li Peng will stay on as State Council premier after the 14th party congress. Jiang Zemin may also be appointed state president, with Yang Shangkun and Wan Li both stepping down.

According to insiders, in view of possible changes Deng Xiaoping will make in top level CPC Central Committee personnel at the 14th party congress, Li Xiannian—when he was still alive—had already agreed with Chen Yun on the principle of keeping the "Jiang-Li structure" unchanged. When Deng Xiaoping explicitly pointed out in his talks during his southern tour that "whoever does not engage in reform will have to step down," Chen Yun responded with a proposal that "the Jiang-Li structure be kept unchanged."

Originally, Deng Xiaoping had instructed Bo Yibo, Yang Shangkun, and Wan Li to form a three-man team to discuss and make suggestions regarding personnel appointments at the 14th party congress. The three men's proposal was for Li Peng to step down as premier after the Eighth National People's Congress, while changes could also be considered for Jiang Zemin, such as the creation of a post of deputy general secretary. Urged on by the conservatives as well as by the "leftist lords" and "leftist generals," Chen Yun accused the proposal of being a "conspiracy" and strongly attacked Bo Yibo for being a double-dealer. His views were conveyed to Deng Xiaoping through Wang Zhen, with a warning that such personnel arrangements could lead to a rehabilitation of the 4 June incident, which is precisely Deng Xiaoping's "sore spot."

Before and after 4 June, Wang Zhen had called out: "A public trial for Zhao Ziyang and the death sentence for Bao Tong." After a lengthy investigation of Zhao and Bao, however, no specific facts could be found to prove that they were trying to split the party or create chaos. Qiao Shi, who was in charge of political and legal work, proposed that Bao Tong be acquitted and released based on the results of the investigation. However, having heeded Chen Yun and Wang Zhen, and in a bid to prevent a rehabilitation of the 4 June incident, Deng Xiaoping advocated putting Bao Tong on trial and the latter was subsequently sentenced to a prison term. At the same time, calling into question Zhao Ziyang's personal integrity, Wang Zhen conveyed to Deng Xiaoping his strong objection to the rehabilitation of

Zhao Ziyang. Reports in a certain English-language journal in Hong Kong about Zhao's return as chairman of the Chinese People's Political Consultative Conference can be described as pure speculation.

Wang Zhen has loudly asserted in Beijing: "Let us see if it is my words that count, or those of Bo Yibo."

### Attack on 'Historical Trends' Escalated

HK3009080692 Hong Kong TANGTAI in Chinese No 18, 15 Sep 92 pp 30-32

["CPC Internal Document" edited by Kao Chung (7559 6988): "Escalation on Attack of 'Historical Trends'"; first two paragraphs are TANGTAI editor's note]

[Text] Voices of fighting against leftism are raised from the top to the grass roots today in China; however, such efforts have not genuinely cleared off leftist forces. A number of leftist ringleaders are now organizing a fresh round of internal repudiation of the book *Historical Trends*, turning this book that was intended for coordinating with Deng Xiaoping's fight against "leftism" into a sinister one that "opposes Deng Xiaoping Thought and negates the party basic line." The article reprinted here was a critical article originally carried in three CPC internal journals, including QINGKUANG HUIBAO [REPORT 1906 0400 0932 1032] delivered to the central authorities, NEIBU QINGKUANG [INTERNAL INFORMATION 0355 6752 1906 0400] edited by RENMIN RIBAO, and LILUN CANKAO [THEORETICAL REFERENCE 3810 6158 0639 5072] relayed to county and regimental levels.

This journal reprints the article here for the readers to have a better picture of how the "leftist ringleaders" have distorted facts to create public opinion.

As soon as the book entitled *Historical Trends* was published, it roused the concern of quite a number of experts and scholars from institutes of higher education, and they launched strong criticism against several things contained in the book.

Some experts indicated: In the wake of the relaying of Comrade Deng Xiaoping's talks delivered during his southern inspection tour, the Central Committee, with Comrade Jiang Zemin as the core, has led the whole party to resolutely, accurately and comprehensively implement the talks' spirit and the party basic line, and the spiritual feature of people throughout China has undergone tremendous change, creating a fine situation in which the pace was quickened in building socialism with Chinese characteristics. At the same time, hostile forces at home and overseas have attempted to guide the situation to develop in the direction that conforms to their will. Superficially, they expressed support of the spirit of Comrade Deng Xiaoping's talks, and hoisted the banner of fighting "leftism," but in actual fact they were attempting to oppose Comrade Deng Xiaoping's thinking, negate the party basic line, and sabotage the progress of reform and opening up. It was not by chance



that under such circumstances this book has surfaced, which flaunts to be some guidance materials for the study of Comrade Deng Xiaoping's talks, but actually spreads a series of erroneous views. It was an action of some people in their attempt to interfere with the central arrangements to change the direction of China's progress through their meticulous plotting.

Some comrades indicated: The book has collected several articles by Zhang Xianyang [1728 7359 2254], Hu Jiwei [5170 4480 0251], and Yuan Hongbin [5913 3163 0393], and the crux lies in opposing and attacking the Central Committee with Comrade Jiang Zemin as the core.

#### **Charging Yuan Hongbin With Seizing Power From the Party**

Since the Fourth Plenary Session, the Central Committee has adhered to the party's basic line and economic construction as the center in an overall manner, while realizing political stability and economic development through improvement, rectification, and deepening reform. Hostile forces at home and overseas regard the Central Committee, with Comrade Jiang Zemin as the core, as the greatest hindrance to pursuing bourgeois liberalization in China.

Some authors in the book adopted an attitude of wholesale distortion and negation of the work principle and accomplishments under the Central Committee leadership in recent years. They believe: "For a time.... the principle of fighting against leftism has changed into one of fighting against rightism," "naturally, this can only result in great setbacks in China's reform and opening up; not just failure in making any advance, but causing various crises hidden in the entire national economy and country" (refer to Hu Jiwei: "On Guarding Against 'Leftism' in the Main"). They particularly require others to "soberly see": "Presently, it is still possible for leftist ideological trends to remain a fulcrum and lever to raise their social position and effects as a certain power. Such a fulcrum and lever are precisely the basic means for the mummy-like leftist ideological trends to be able to perform the dances of ghosts under the realistic bright sunlight; they are precisely the basic cause for leftist ideological trends to become the major and realistic danger of reform." This being the case, they openly stated that it was necessary to "break the fulcrum, and get rid of the lever" (refer to Yuan Hongbin: "Let History Weep No More"). Here, their real motive to seize power from the party and state is self-evident.

#### **Falsely Accuse Zhang Xianyang of Attacking Jiang Zemin**

To achieve their aim to oppose the central authorities, they conducted voluminous attacks and slanders against the series of important inferences that the central authorities have guided China's reform and construction. Zhang Xianyang (namely Wen Cao 5113 2347) focused his attack on the central inference on the existence of two kinds of reform and opening up.

The Central Committee has repeatedly indicated that our reform and opening up is the self-completion, perfection, and development of the socialist system. Domestic and overseas hostile forces hoisted the banner of "reform" to pursue bourgeois liberalization, and have recently stated in public that their attempt was to make China evolve through "reform."

It is an irrefutable truth that some former socialist countries have realized capitalist restoration by hoisting the banner of reform. This being the case, the struggle between the two concepts of reform is an objective existence. The central inference on the existence of two concepts of reform is the scientific generalization of objective facts. Zhang Xianyang said: "The formulation of two concepts of reform and opening up has not only tipped the scales between the 'two basic points' and weakened the role of reform and opening up, but also soiled the reputation of reform and opening up." "The formulation of 'two concepts of reform and opening up' is not theoretically solemn, and has boosted the arrogance of those who advocate ultra-leftism, which opposes reform and opening up in political practice" (refer to Wen Cao: "On 'Two Concepts of Reform,' etc."). Here, he openly and directly directed the spearhead of his attack at Comrade Jiang Zemin and the Central Committee. In addition, he challenged the principle that "leadership must be grasped in genuine Marxists' hands," while setting it against the criteria for cadres being more revolutionary, younger in average age, better educated, and more professionally competent. Actually, the primary of the criteria Comrade Xiaoping set forth is precisely being more revolutionary; the requirement on cadres to become genuine Marxists entirely falls in line with cadres being more revolutionary. The reason why Zhang Xianyang opposes this formulation does not lie in whether or not the criterion of "Marxists" is too "high," but his worry is that "there would not be many people who adhere to the line of reform and opening up in leading posts at various levels should cadres be selected and promoted according to that criterion." This has precisely revealed what he really aimed at by "adhering to reform and opening up." On the one hand, Zhang Xianyang did not acknowledge the existence of "two concepts of reform and opening up"; on the other, he set "people adhering to reform and opening up" against genuine Marxists. That precisely shows that the concept of "reform" he adheres to is none other than the concept of reform in the category of bourgeois liberalization.

Some comrades indicated that several articles in this book had hoisted the banner of supporting Comrade Xiaoping's talks, but distorted and tampered with Comrade Xiaoping's thinking, and openly aimed the spearhead of their attack at Comrade Xiaoping.

#### **Criticize Hu Jiwei for Reversing the Verdict on Him**

Comrade Xiaoping set forth: "It is necessary to be vigilant against rightism, but mainly to guard against 'leftism,'" while explicitly pointing out the chief major expressions of rightism and "leftism."

Nevertheless, some articles in the book did not say a word about rightist errors, but labeled all struggles against bourgeois liberalization Comrade Deng Xiaoping personally initiated and led as movements sparked by "leftist" authority. Comrade Xiaoping explicitly said: "It was not that we have not mentioned adherence to the four cardinal principles, ideological and political work, and opposing spiritual pollution, but we lacked continuity in doing so, and were void of actions; we even talked very little about them." Hu Jiwei and his ilk arbitrarily censured eliminating spiritual pollution, and repudiating bourgeois liberalization, while saying that these struggles "are in essence anti-rightist movements in opposing the so-called 'taking the capitalist road.'" Hu Jiwei wrote: "They have overthrown and totally discredited, one batch after another, those people who had adhered to taking economic construction as the key, and reform, opening, and building socialism with Chinese characteristics. Of course, their targets are not confined to general experts, scholars of the ideological and theoretical circles, and famous activists of the economic and political circles, for their ultimate goal is to overthrow leaders adhering to reform and opening up" (refer to Hu Jiwei: "On Guarding Against 'Leftism' in the Main"). Was it not openly and obviously voicing their discontent for those people who had been repudiated for their adhering to the position of bourgeois liberalization!

Some scholars of institutes of tertiary education exposed that it was not by chance that Zhang Xianyang, Hu Jiwei, Yuan Hongbin, and their like had dished up those articles to interfere in central arrangements for deepening reform.

#### **Charging Yuan Hongbin and Others With Harboring Ulterior Motives**

Hu Jiwei's expression in the political storm at the turn of spring and summer 1989 has been known to all. Regarding his being dispelled from the party organization in 1987, Zhang Xianyang repeatedly said, "It is really a great honor to me," "I can only view it as an honorary prize paid in advance, which I will spend wisely," "In a period of social turbulence, I feel greatly honored to be able to play one of the few tragic roles." "Sometimes, I would like to say out aloud, it would have been still better had I been dispelled from the party organization 10 years ago." "It would be very difficult for a theorist who is a party member to become a genuine theorist, because he must first be subject to the party's absolute will and documents; in actual fact, such so-called theorists can only be central documents' spokesmen." Now, that this person who viewed expulsion from the party organization to be an honor, and "being a central documents' spokesman" a shame, should have come out to write "articles of guidance" for studying central documents—is his aim not self-evident enough! Yuan Hongbin is a Beijing University Law School lecturer. In the political storm at the turn of spring and summer 1989, he discussed with others initiating an assembly for teachers, presided over it, and read out loud

the "Statement on the Founding of the Beijing University Delegation of Teachers in Support" and drafted the "Open Letter to All CPC Party Cells." We must pay great attention and keep vigilance against such behavior as openly interfering with the central arrangements and the implementation of the spirit of Comrade Xiaoping's talks.

#### **Symposium on Deng's Works Ends in Beijing 29 Sep**

OW0110075392 Beijing XINHUA Domestic Service in Chinese 0356 GMT 29 Sep 92

[By reporter Zhang Huaijing (1728 2037 0079)]

[Text] Beijing, 29 Sep (XINHUA)—This reporter has learned from the "Symposium on Deng Xiaoping's Works" which ended today in Beijing that some 101.15 million copies of Deng Xiaoping's works that were published in our country have basically met the needs of reform, opening up, and building socialism with Chinese characteristics in the new period, as well as the demands of the broad ranks of party members and people nationwide.

On the eve of the 14th national party congress, more than 50 well-known experts and scholars from academic, press, and publishing circles who gathered in the capital city, Beijing, focused on Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. Their assessment shows that Comrade Deng Xiaoping's thought is the embodiment of Marxism that is currently in practice, and possesses great vitality. His thought has become the spiritual pillar and treasure of our people. His works are especially popular among party members and the masses. The circulation of *Selected Works of Deng Xiaoping* (1975-82), edited by the CPC Central Party Literature Research Commission, and published by Renmin Publishing House in 1983, reached 44 million within 5 years. In 1989, Renmin Publishing Company printed *Selected Works of Deng Xiaoping* (1938-65) and also published the following books by Deng Xiaoping: *Building Socialism With Chinese Characteristics (Revised and Enlarged Edition)*, *Lofty Ideas, Moral Integrity, Education, and a Sense of Discipline*, *Important Speeches by Deng Xiaoping*, *Deng Xiaoping on Party Building*, *Deng Xiaoping on Upholding the Four Cardinal Principles and Opposing Bourgeois Liberalization*, and *Deng Xiaoping on Reform and Opening Up*, with a combined printing of over 57.15 million copies. Comrade Deng Xiaoping's expositions on socialism contained in these works has received heartfelt support from the vast number of party members and the masses.

Experts and scholars attending the meeting held that fruitful results have been achieved in China in the study of Deng Xiaoping's theory. By the time that Comrade Deng Xiaoping made his speeches during the inspection tour to the south in February, more than 5,000 theses on Deng Xiaoping's thought had been published nationwide in newspapers of provincial level or higher. Over 100



books devoted to his thought have been published by local publishing houses. This year has already seen several high points in the study of Deng Xiaoping's thought, and there have been new breakthroughs in both the scope and depth of study, with more and more emphasis on Deng Xiaoping's thought in its entirety and quintessence. Meanwhile, the life of Comrade Deng Xiaoping has also become a popular subject for study.

The participants also pointed out that studying and propagating Deng Xiaoping's thought are solemn tasks facing China's theoretical researchers and people engaged in ideological propaganda work, who should work to bring into greater play Comrade Deng Xiaoping's thought as guidance for China's socialist modernization.

#### QIUSHI Article in Memory of Deng Yingchao

HK3009080092 Beijing QIUSHI in Chinese No 16, 16 Aug 92 pp 23-26

[Article by Chen Zuolin (7115 0155 7207): "Model of Communism—In Memory of Comrade Deng Yingchao"]

[Text] In her revolutionary career over several decades, Comrade Deng Yingchao, our dear elderly sister, always had the party and the masses in mind, was consistently strict with herself and, as a person of exemplary virtue, was absolutely devoted to the party and the people. Her's was a fighting and glorious life, one of serving the people wholeheartedly with utter devotion to the party's cause. Her great contributions will go down in the annals of history and be forever remembered by the people. Her commendable words and exemplary actions will shine through the ages and be models for communists forever.

In cherishing the memory of the glorious deeds of Comrade Deng Yingchao throughout her life, what we especially remember are the huge contributions she made as a leader of noble character and high prestige on the disciplinary inspection front for strengthening party building, building party work style and party discipline, safeguarding party laws and regulations, rectifying party style, and enforcing strict party discipline. We especially remember her noble work style of setting an example in everything and everywhere as a great proletarian revolutionary and statesperson!

The Third Plenary Session of the 11th CPC Central Committee, which had far-reaching significance, decided to set up the CPC Central Committee Disciplinary Inspection Committee and Comrade Deng Yingchao, with her high prestige, was elected second secretary of the committee. The building of party work style and party discipline then faced an extremely serious situation: After going through 10 years of catastrophe the fine tradition and work style of the party was seriously undermined, party discipline was slacken, individualist and anarchist ideology was rampant, and impurities in ideas, organizations, and work style within the party stood out seriously. The problem of bureaucratic airs, privileged work style, and seeking personal gain through

power on the part of a number of party member cadres was quite serious. The growth and drawing out of unhealthy tendencies and certain corrupt phenomena within the party seriously harmed relations between the party and the masses, weakening its combat effectiveness. Comrade Deng Yingchao was so worried about this that she felt like she was on fire. Despite old age and illness, she made utmost efforts and plunged herself completely into the arduous work of rectifying party work style, enforcing party discipline, and safeguarding party laws and regulations with a high degree of the principle of proletarian party spirit.

During more than three years in the CPC Central Committee Disciplinary Inspection Committee, she devoted herself assiduously to rectifying party work style, and restoring the party's fine tradition and style of work. In the face of the reality that all neglected tasks were to be undertaken, and a thousand things remained to be done, what was the main job for the disciplinary inspection committee after restoration and reconstruction? Comrade Deng Yingchao fully agreed with Comrade Chen Yun's scientific thesis that "the issue of party work style in the ruling party is one that has vital bearing on the life and death of the party," which pointed out in a clear-cut manner that the disciplinary inspection committee should grasp rectification of party work style and that "it is necessary to rectify unhealthy trends and evil practices in the fields of economy, politics, and way of life, and rectify party work style." She pointed out emphatically that "party work style is an issue that has vital bearing on the life and death of the party and we disciplinary inspection committees should regularly pay attention to problems in this respect and strive to do a good job in party work style. It is necessary to put unhealthy tendencies in economic and other fields in an important position on the agenda." She repeatedly attacked the evil trends of "bureaucratic work style and bureaucratic airs," seeking personal gain through power, going in for privileges, and serious factionalism and other tendencies. She demanded that these tendencies be opposed and rectified in the whole party. She maintained that the fine traditional work style of our party, and the fine work style of linking theory with practice, seeking truth from facts, close ties with the masses, developing criticism and self-criticism, and upholding democratic centralism should be gradually restored and carried forward in a better way. She pointed out that "it is necessary to grasp party discipline and party work style but it is all the more necessary to restore and carry forward the fine tradition and style of work of our party. If we use them to measure all unhealthy tendencies and style of work, we will have targets at which to aim. The great importance Comrade Deng Yingchao attached to party work style poured her sincere affection into the party and her enthusiasm into the cause of the party, and helped us realize: The issue of party work style in the ruling party is most essential to the survival and development of the party and to the rise and fall, success and failure, of its cause. Under the historical circumstances of being in power, and of reform and opening up, the party is faced with tests of whether



or not it can correctly handle its power in hand, whether or not it is capable of further maintaining close ties with the masses of the people, and whether or not it can withstand the tests of reform and opening up, etc. This will bring new and important subjects into party building: Whether or not to serve the people wholeheartedly or to be bureaucratic, seeking personal gain through power, and ride roughshod over the the people. To maintain the advanced nature and purity of the party, and to enable it to become truly the strong core that leads socialist modernized construction, it should not, as a ruling party, slacken the building of party work style but should greatly strengthen it. For over 10 years past, in accordance with the instructions of Comrade Chen Yun, Comrade Deng Yingchao, and other Central Committee leaders, disciplinary inspection committees at various levels seriously carried out the duty entrusted by the party constitution of helping party committees rectify party work style; carried out struggles unremittingly against various unhealthy tendencies within the party; and made industrious efforts to restore and carry forward the fine tradition and work style. Today, when we mourn over Comrade Deng Yingchao with deep grief, reviewing her important exposition on correcting party work style is of major significance in doing two types of work simultaneously, doing a good job in resolutely building party work style, and promoting reform and opening up and the cause of modernization by fine party work style in the course of building socialism with Chinese characteristics.

To build up a fine party work style, Comrade Deng Yingchao, during her three years in the CPC Central Committee Disciplinary Inspection Committee, spared no effort in rebuilding party discipline which had been willfully trampled upon and cast aside by Lin Biao and the "gang of four." She repeatedly emphasized and reiterated that party discipline was an indispensable guarantee for implementation of the correct political line and also to the long-term stability of the political situation of stability and unity. Based on the experiences and lessons in carrying out party discipline in the history of the international communist movement and the CPC, and her personal experiences, she inculcated the whole party: When party discipline was carried out well and was strengthened, the revolution developed successfully; if discipline was undermined, the revolution suffered losses and even failure. Aiming at the situation wherein party discipline and state law were trampled upon for a long period of time by Lin Biao and the "gang of four," at inequality in the face of law, that the rights of party members were not safeguarded and those who had violated party discipline were not punished, and that quite a number of party members lacked basic knowledge about the party constitution and party discipline, she sternly pointed out: Observance of party discipline by every party member and party cadre was an elementary requirement for restoration of the normal political life of the party and the state; leading party cadres at various levels should take the lead in observing party discipline; and those who violate party discipline should

be seriously dealt with, no matter who they are. She also sternly pointed out that it was necessary to constantly propagate the party constitution within the party to help party members cultivate the consciousness of safeguarding and carrying out the party constitution and observing party discipline. She said that it was necessary to conduct education in the whole party on enforcing discipline, so that the broad masses of party members did "not just carry out discipline verbally, rigidly, or mechanically, but handled it correctly by relying on the relationship between party democracy and discipline." These clear-cut ideas and viewpoints by her have given us rich inspiration, which has played an important guiding role for disciplinary inspection committees at various levels after restoration and reconstruction to strengthen party discipline conscientiously; uphold the principle that in the face of discipline, everybody is equal; strictly carry out party discipline; develop in-depth education on party basic knowledge and party discipline among party membership; and raise the consciousness of party members to observe party discipline. Over these years, disciplinary inspection committees at various levels regarded safeguarding and carrying out party discipline as their constant important duty. They developed in-depth education on party spirit, party work style, and party discipline among party members, and continuously strengthened the concept of discipline among party members; on the other hand, they tightly grasped the job of punishing behavior which violated party discipline, seriously inspected and dealt with a large number of cases which violated discipline, punished a large number of party members who went against it, and effectively safeguarded the seriousness of party discipline.

To strengthen party building and the building of party work style and party discipline seriously, Comrade Deng Yingchao also made enormous painstaking efforts to improve party laws and regulations. There were many reasons for the growth and drawing out of unhealthy tendencies within the party. One important reason was that it lacked a complete set of rules and regulations. The civil strife of the "Cultural Revolution" almost destroyed all rules and regulations and there were no rules to follow for a long period of time in inner-party political life. The Third Plenary Session of the 11th CPC Central Committee summarized historical experiences and lessons and put forward that it was necessary to improve democratic centralism within the party, improve party rules and regulations, and enforce strict discipline. Comrade Deng Yingchao fully agreed with and supported these measures and led organs of disciplinary inspection in doing large amounts of work to improve party rules and regulations. She participated in leadership over stipulating some important inner-party rules and regulations, such as "Certain Criteria on Political Life Within the Party," "Certain Regulations on Remuneration for Senior Leading Cadres," etc. Under her leadership and attention, the CPC Central Committee Disciplinary Inspection Committee, for over three years from the end of 1978 to 1982, dispatched

circulars, bulletins, and decisions which aimed at unhealthy tendencies of giving dinner parties and sending gifts at the state's expense, and in building and distributing living quarters, and at tendentious problems such as activities in the economic sphere which violated law and discipline. This played an important role in improving democratic life within the party, safeguarding the solidarity, centralization, and unity of the party, consolidating the party's organization and discipline, restoring and developing in a comprehensive way the party's fine tradition and work style, and enhancing its combat effectiveness. It is precisely due to the correct leadership of the CPC Central Committee, and the guidance by Comrade Chen Yun, Comrade Deng Yingchao, and other proletarian revolutionaries of the older generation that the party has made new development in the building of discipline and rules and regulations since the Third Plenary Session of the 11th CPC Central Committee. The Central Committee Disciplinary Inspection Committee has worked out a number of provisions and regulations in turn on party discipline, not only procedural regulations but also substantive provisions for measuring discipline, so that we will further have rules to follow and laws to abide by in observing and carrying out party discipline; that party laws and regulations will become more and more scientific, standardized, and systematized; and that we will gradually embark on the path of administrating the party by party laws and regulations.

Comrade Deng Yingchao was not simply an active initiator in developing the party's fine tradition and work style; she also earnestly practised what she preached and was a model of observing party discipline and rectifying party work style. She bitterly hated unhealthy tendencies of bureaucracy, seeking personal gain through power, indulging in ostentation, extravagance, and giving dinner parties, and sending gifts at the state's expenses. She loudly appealed to the party that it was necessary to restore and develop the party's fine tradition and work style and called on leading cadres to take the lead. She repeatedly emphasized that "leaders should take into account the influence of their words and actions" and "they should think of the interests of the people and of the party in everything they do." The requirements laid down in "Criteria" were very clear, and it was of crucial importance to carry them out and: "Not just carry them out but voluntarily take the lead in carrying them out." Comrade Deng Yingchao imposed strict requirements on comrades and was tireless in inculcating them by sincere advice; she was strict with herself, unanimous in words, action, and thought, and acted in one and the same way. At a plenary session of the Central Committee Disciplinary Inspection Committee, using her own experience as an example, she explained that when she first came to the city, the inside of her pillow case contained several unlined garments folded together. After the death of Comrade Zhou Enlai, some museums wanted to collect things left behind by the deceased for an exhibition. She told them it was extremely difficult; that she and Zhou had nothing left

behind; and that after victory in the revolution, it was far less important for them to think of setting up a memorial hall and keeping those things for memory. After she was elected vice chairman of the National People's Congress Standing Committee, the departments concerned wanted to provide a car for her but she insisted that they not do so. Someone said she had many activities in foreign affairs and it would be inconvenient for her to go to the airport without a "Red Flag" limousine. She said she could do her job the same without a "Red Flag" limousine. I am Deng Yingchao, going to receive foreign guests in any kind of car. They would let me in, would they not? After she became a member of the Political Bureau through by-election at the Third Plenary Session of the 11th CPC Central Committee, she graciously declined the good intentions of some people who wanted to increase her secretaries and provide a bodyguard for her. She took the initiative by calling on the departments concerned to tell them that everything remained the same, that the position and status had changed but all remuneration remain unchanged. True, Comrade Deng Yingchao was precisely like this: What she wanted others to do, she herself did first. She was hard working, led a plain life all her life, and she was honest in performing official duties. In important positions, she never sought privileges but set an example everywhere. What was especially touching and admirable was that she wrote a letter to the Central Committee before her death, earnestly requesting that: Her remains be cremated after dissection without retaining the bone ashes; no paying of last respects to the remains; no organizing of a memorial meeting; her dwelling house to be returned to the state; never set up former residence or a memorial hall; and that no special care be given to relatives. This fully embodies the noble sentiments of a thorough materialist. With selfless devotion to the people all her life, and the exemplary action of rectifying party work style, she has set up a towering monument for us.

Respected Comrade Deng Yingchao passed away but she left behind most valuable spiritual wealth for us. As a leader serving the people wholeheartedly and bent on working to rectifying party work style all her life, she will forever gloriously shine forth as an example. The whole party and people of the whole country are now studying and carrying out in depth Comrade Deng Xiaoping's important talk on his tour of south China and the spirit of the Plenary Session of the Central Committee Political Bureau, deepening reform, expanding opening-up, and are quickening the pace of socialist economic construction. In memory of Comrade Deng Yingchao, we should turn grief into strength, learn from her to have firm communist faith, be absolutely devoted to the party, the people, and the proletarian revolutionary cause, and the revolutionary spirit of keeping on fighting despite all setbacks. We should learn from her to uphold consistently the principle of party spirit; strictly observe party discipline and political criteria; be exemplary, hard working, and lead a plain life; be honest in performing official duties while being modest, prudent, frank and

open, and aboveboard; and have the noble moral character of giving no thought to personal gains and losses in the interests of the party and the people. We should learn from her to maintain close ties with the masses; be amiable and easy to approach; set an example everywhere; proceed from public interests in everything; always maintain the fine work style of the true qualities of public servants, loyal to the cause of socialist modernization; and be models in rectifying party work style and building socialist spiritual civilization. Organs of disciplinary inspection at various levels and the broad masses of disciplinary inspection cadres should carry out the behest of Comrade Deng Yingchao, unswervingly uphold doing two types of work simultaneously in the course of building socialism with Chinese characteristics, firmly establish the ideas of rendering service to the party's basic line of "one center, two basic points," and conscientiously step up the building of party work style and be honest in performing official duties. It is necessary to: Uphold firmly the center of economic construction; plunge enthusiastically into the practice of reform and opening-up and of economic construction; further emancipate the minds; conscientiously study the new situation and solve new problems; participate in, support, and protect reform; and integrate organically disciplinary inspection work with economic work. It is necessary to safeguard resolutely the seriousness of party discipline; strictly enforce party discipline; seriously inspect and punish cases which violate party discipline; strive to overcome unhealthy tendencies and corrupt phenomena; and create a favorable environment for speeding up reform, expanding opening up, and ensuring the smooth progress of economic construction.

#### University Teachers, Students on Party Congress

OW0110040692 Beijing XINHUA in English 0232  
GMT 1 Oct 92

[Text] Hefei, October 1 (XINHUA)—At a recent interview with XINHUA, officials, teachers and students at the Chinese University of Science and Technology expressed optimistic views over the success of the forthcoming National Congress of the Communist Party of China (CPC).

Some said that the 14th CPC Congress, which is due to open on October 12, might be a milestone in the history of the party and the country.

The meeting will likely be comparable to the well-known Third Plenary Session of the 11th Party Central Committee which was held at the end of 1978 and marked the start of the ongoing reform drive, they said.

They believed that the congress will sum up the experience gained in the 12 years of reform and set new, higher targets for the country to build socialism with Chinese characteristics in the 90s.

The university, which is located in Hefei, capital city of Anhui Province, is among the country's most famous

institutes of higher education and has turned out a large group of professionals now working at home and abroad.

Fourth-year student Ye Ning, chairman of the school's student union, said the meeting is of great importance since the country's economic development is at a critical juncture.

Associate Professor Cheng Kangchang expressed his hopes that the congress would give a precise description of "socialist market economy" and make its development a strategic goal for the future.

Professor Gu Chaohao, president of the school, said the meeting will pave the way for accelerated reforms in scientific, technological and educational circles.

Some of the teachers and students interviewed expressed the hope that leftist deviations would be corrected.

A 28-year-old professor, Liu Bing, hoped the bold reform line inaugurated by Deng Xiaoping will be reaffirmed at the party congress, while student He Ju, who is vice chairman of the school's graduates' union, hoped more young and reform-minded party representatives would be promoted to the Central Committee.

#### Travel Rules for Academics 'Simplified'

OW0110031092 Beijing XINHUA in English 0250  
GMT 1 Oct 92

[Text] Beijing, October 1 (XINHUA)—The Ministry of Public Security has simplified the exit application procedure for Chinese technicians who plan to travel abroad on private matters.

Chinese research fellows, lecturers, engineers and doctors who hold senior academic titles would only have to submit their invitations and other documents from relevant foreign countries, as well as identification papers issued by their employers in order to obtain their passports, "CHINA DAILY" today reported, quoting ministry sources as saying.

Previously, academics holding senior government-recognized professional titles also had to show identification documents issued by the departments who supervise their work-unit.

The sources said retired senior Chinese technicians and academics applying to go abroad on lecturing tours, to attend international conferences, or to work as consultants at the invitation of non-governmental foreign organizations are required to show a letter of invitation and identification papers issued by their former work-units. They added that documents of evidence issued by Chinese non-governmental organizations acting as agents would also be necessary.



**Regulations for Implementing Copyright Treaties**

OW2809194592 Beijing XINHUA Domestic Service in Chinese 1020 GMT 28 Sep 92

[State Council Decree No. 105: "The Regulations for the Implementation of International Copyright Treaties"; promulgated in Beijing on 25 September]

[Text] Beijing, 28 Sep (XINHUA)—**The Regulations for the Implementation of International Copyright Treaties**

Article 1. These regulations are formulated to implement international copyright treaties and protect the legitimate rights and interests of persons who own copyrights of foreign works.

Article 2. "The Copyright Law of the People's Republic of China" (hereinafter referred to as Copyright Law), "The Regulations for the Implementation of the Copyright Law of the People's Republic of China," "The Regulations for the Protection of Computer Software," and these provisions are applicable to the protection of foreign works.

Article 3. The international copyright treaties mentioned in these provisions refer to "the Berne Convention for the Protection of Literary and Artistic Works" (hereinafter referred to as the Berne Convention), in which the People's Republic of China (hereinafter referred to as China) has joined, and bilateral agreements concerning copyrights that China has signed with foreign countries.

Article 4. The foreign works mentioned in these provisions include:

- (1) Works whose authors or one of whose authors, other copyright owners or one of whose copyright owners are citizens of member-states of international copyright treaties, or are residents normally domiciled in member-states of the treaties;
- (2) Works whose authors are not citizens of member-states of international copyright treaties or residents normally domiciled in member-states of the treaties, but who have had their works first published or simultaneously published in member-states of the treaties;
- (3) Works created under commission from and for which Sino-foreign joint ventures, or Sino-foreign joint ventures and foreign-invested enterprises, are by contractual agreement the copyright owners or one of the copyright owners.

Article 5. The provisions of Articles 20 and 21 of the Copyright Law shall apply with respect to the protective period for foreign works which have not yet been published.

Article 6. The period of protection for a foreign work of applied art shall be 25 years starting from the day of the completion of the work.

The provisions of the previous paragraph shall not apply to works of fine art (including animated cartoon figure designs) applied on industrial goods.

Article 7. Foreign computer programs are protected as literary works and need not carry out registration procedures. The period of protection shall be 50 years beginning at the end of the year in which the program is published.

Article 8. Where foreign works are compiled from unprotected materials but have originality in the selection or arrangement of materials, they shall be protected in accordance with the provisions of Article 14 of the Copyright Law. This type of protection shall not exclude other people from using the same materials for the purpose of compilation.

Article 9. Foreign video products which are deemed cinematic works according to international copyright treaties shall be protected as cinematic products.

Article 10. When works created in the Chinese language and already published by foreigners are to be translated into a minority language, published, and distributed, authorization from the copyright owners must first be obtained.

Article 11. The copyright owner of foreign works may authorize other persons to publicly perform his works or to publicly disseminate the performances of his works in any form and by any means.

Article 12. Copyright owners of foreign cinematic, television and videotaped works may authorize other people to show their works publicly.

Article 13. Prior to reprinting foreign works—with the exception of articles about current political, economic and social affairs—newspapers and journals must obtain the authorization of copyright owners first.

Article 14. Copyright owners of foreign works, after authorizing others to publish reproductions of their works, may authorize or prohibit the rental of reproductions of their works.

Article 15. Copyright owners of foreign works have the right to forbid the importation of the following reproductions of their works:

- (1) Copyright-infringing reproductions;
- (2) Reproductions from countries which do not protect their works.

Article 16. Provisions of the Berne Convention are applicable for performing, recording, or broadcasting foreign works; for those with collective management organizations, the authorization of those organizations should be obtained first.

Article 17. The copyright of foreign works which are not yet in the public domain in their country of origin when international treaties of copyright become effective in

China shall be protected for the period of protection stipulated in the Copyright Law and these provisions, until the period is completed.

The previous clause does not apply to uses of foreign works that have occurred prior to the day when international copyright treaties become effective in China.

Chinese citizens or legal persons who owned or used particular copies of foreign works for particular purposes before the international copyright treaties become effective in China may continue to use these copies without assuming any liabilities, but these copies shall not be reproduced or used in any way which unreasonably jeopardizes the legitimate rights and interests of the copyright owners of these works.

The previous three clauses shall be implemented in accordance with bilateral copyright agreements which China has signed with relevant countries.

Article 18. Articles 5, 12, 14, 15, and 17 of these regulations are applicable to sound recordings.

Article 19. Until these regulations go into effect, in any instances where copyright-related administrative laws and regulations differ from these regulations, these regulations shall prevail. Where these regulations differ from international copyright agreements, the international agreements shall prevail.

Article 20. The State Copyright Administration is responsible for the implementation of international copyright treaties in China.

Article 21. The State Copyright Administration is responsible for interpreting these provisions.

Article 22. These provisions become effective on 30 September 1992.

### Military

#### Jiang Zemin Writes Name for Lei Feng Memorial Hall

OW0110075492 Beijing XINHUA Domestic Service in Chinese 0722 GMT 28 Sep 92

[Excerpt] Shenyang, 28 Sep (XINHUA)—The construction of the Shenyang Military Region's Lei Feng Memorial Hall in Fushun, Liaoning Province, has been completed. A ceremony was held today to mark its opening.

Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, wrote the name for the Lei Feng Memorial Hall. [passage omitted]

#### Ribbon Cut for Hall Completion

SK2909082592 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 28 Sep 92

[Text] The Lei Feng memorial hall of the Shenyang Military Region, with the name of the hall inscribed by General Secretary Jiang Zemin, was inaugurated in the company to which Lei Feng belonged when he was alive on 28 September. Built with an investment of 4 million yuan, this Lei Feng memorial hall is composed of three parts, including the exhibition hall and the report hall. On display are more than 130 photographs on Lei Feng's daily life and more than 200 articles left behind by him. In addition, a sound recording of Lei Feng's speech when he gave reports more than 30 years ago was also kept in the hall.

Provincial Governor Yue Qifeng; Shang Wen, deputy secretary of the provincial party committee; and leaders of the Shenyang Military Region, including Liu Jingsong, and Song Keda attended the ribbon-cutting ceremony.

#### Guangdong Secretary Addresses Air Force Conference

HK2909015592 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 17 Sep 92

[Excerpts] A Chinese People's Liberation Army [PLA] Air Force Conference on Commending Outstanding Personnel, the first of its kind ever held in Guangzhou, was solemnly inaugurated in Huanghuagang Theater this morning. [passage omitted]

The opening ceremony was attended by persons in charge of the PLA Air Force and Guangzhou Military Region, including Wang Hai, Zhu Guang, Zhu Dunfa, and Zhang Zhongxian.

Xie Fei, Zhu Senlin, and some other comrades in charge of Guangdong Province, as well as leaders of Guangzhou, Shenzhen, Zhuhai, Foshan, Nanhai, and some other cities, also attended and extended congratulations at the opening ceremony.

Lieutenant General Ding Wenchang, PLA Air Force Political Department director, delivered a speech at the opening ceremony in which he said: Over the past few years, the PLA Air Force has carried out, on an extensive scale, the election through public appraisal of outstanding personnel who excel in all fields. Such activities have not only significantly boosted the morale of the broad masses of officers and soldiers, but have also greatly promoted the overall building of the PLA Air Force. The current conference is mainly devoted to setting fine examples, commending advanced personnel, urging the broad masses of officers and soldiers to further develop a spirit of revolutionary heroism, and pushing ahead with revolutionization, modernization, and regularization of the PLA Air Force so that the PLA Air Force will be able to more successfully accomplish their sacred mission of escorting reform and opening up.

Amidst warm applause, Guangzhou Military Region Commander Zhu Zunfa and Xie Fei, Guangdong Provincial CPC Committee secretary, also delivered ebullient speeches at the opening ceremony in which they extended warm congratulations to the conference on behalf of the broad masses of officers and soldiers under the command of the Guangzhou Military Region, as well as the people of Guangdong Province, respectively.

A number of outstanding PLA Air Force personnel also delivered speeches, giving accounts of their advanced deeds, at this morning's meeting. [passage omitted]

### Guangzhou Military Region Holds Cultural Meeting

HK2809063292 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 19 Sep 92

[Excerpts] The six-day on-site ideological and cultural work demonstration meeting held by the Guangzhou Military Region ended in the Hainan Provincial Military Command 19 September.

Lieutenant General Gao Tianzheng, Guangzhou Military Region deputy political commissar; Major General Liu Guinan, Guangzhou Military Region Political Department deputy director; Lin Zhenjiang, People's Liberation Army General Political Department Cultural Department [words indistinct] Bureau deputy chief; and leaders from the provincial military command Gong Pingqiu, Zhou Chuantong, and Qiu Jihua attended.

Ye Changan, Guangzhou Military Region Cultural Department deputy director, presided over yesterday's meeting. Liu Guinan, Lin Zhenjiang, and Gao Tianzheng made speeches on how to disseminate the experience created by the Hainan Provincial Military Command in basic ideological and cultural work to promote basic ideological and cultural work for all units of the Guangzhou Military Region.

During the meeting, the participants visited the cultural activity centers of army units stationed in Tunchang, Tongda, Sanya, Qionghai, and Wenchang. [passage omitted]

In his speech, Gao Tianzheng stressed: All localities must draw on the experience created by the Hainan Provincial Military Command in carrying on basic-level ideological and cultural work and deepen their understanding of the importance of making a success of basic ideological and cultural work under the new reform situation and opening to the outside world. They should build more facilities for cultural activities, [words indistinct] activities, strengthen the backbone contingents of ideological and cultural workers, combine cultural work with regular ideological work and management, strengthen leadership and supervision over cultural work, and fully utilize the experience provided by the Hainan Provincial Military Command in light of their actual conditions to elevate the Guangzhou Military Region's ideological and cultural work to a new level.

### General Staff Department Commends Cartography Unit

OW2709212492 Beijing XINHUA Domestic Service in Chinese 0723 GMT 26 Sep 92

[By reporter Huang Caihong (7806 1752 5725)]

[Text] Beijing, 26 Sep (XINHUA)—A circular recently published by the People's Liberation Army [PLA] General Staff Department commended the Navy's cartography units for successfully completing the assignments of surveying the East Sea continental shelf and the Nansha Sea area.

Since 1988, the cartography units under the Navy's North, East, and South Sea Fleets have mobilized 4,000 officers and men to conduct a comprehensive survey of approximately 300,000 square km of waters in the East Sea continental shelf. In addition, they have twice cooperated with relevant departments in conducting satellite geodetic surveys of the Xisha and Nansha Islands and reefs, thereby pioneering the survey of China's ocean continental shelves and standardizing a geodetic coordinate system for islands and reefs in the Nansha sea area and the continent. Their survey has brought to an end the history of using foreign data to draw and publish sea maps, and has contributed to the development and exploitation of marine resources, the study of oceanography, ocean-going transportation, and shipping navigation.

The satellite geodetic survey in the East Sea continental shelf is a difficult task on an unprecedented scale and involves complex technology. Meticulously organizing forces and defying hardships, the Navy's cartography units have obtained a host of scientific and technical information and accurate data through measuring water depth, fathoming water mileage, collecting materials from the ocean floor, and testing tides at fixed points.

### Dictionary for National Defense Education Published

OW2809075592 Beijing XINHUA Domestic Service in Chinese 1211 GMT 26 Sep 92

[By correspondent Wang Dong (3769 2639)]

[Text] Beijing, 26 Sep (XINHUA)—"National Defense Education Dictionary," a comprehensive reference book for national defense education, was recently published by the Military Science Publishing House. Jiang Zemin, chairman of the Central Military Commission, wrote this inscription for the book: Step Up National Defense Education To Enhance the Awareness of the Whole Nation in the Need of National Defense. Chief of General Staff Chi Haotian wrote a preface for the book. Qin Jiwei and Yu Qiuli also wrote inscriptions for it.

"National Defense Education Dictionary" was compiled by more than 100 military experts, professors, theorists, and propagandists, and it took them one year to accomplish the work. The dictionary contains more than 1.6 million characters and nearly 6,000 entries, covering



national defense concept, national defense thinking, national defense strategy, national defense diplomacy, national defense economics, science and technology for national defense, weapons and equipment for national defense, national defense armed forces, national defense political work, legal system for national defense, wars, military campaigns, national defense geography, national defense personalities, national defense education, and national defense culture. The book will help promote both theoretical study and practice of national defense education.

### Economic & Agricultural

#### Plans To Lift Control on Grain Prices Reported

OW0110034992 Beijing XINHUA in English 0257  
GMT 1 Oct 92

[Text] Beijing, October 1 (XINHUA)—The Chinese Government is to lift its control on grain prices and grain businesses in most parts of the country in the next two or three years.

The move is designed to improve China's grain purchasing and selling system and to make grain a market commodity, "FARMERS' DAILY" [NONGMIN RIBAO] said on Tuesday.

However, the reform will not apply to poor areas at present, the paper said.

Grain prices and business have been under state monopoly and central planning for decades.

Experimental reforms have begun in more than 300 economically developed counties in 16 provinces and regions so far this year, with Guangdong Province taking the lead.

The newspaper quoted Bai Meiqing, vice minister of commerce who is in charge of grain management, as saying the move represents a general trend in today's China.

But he noted local governments must be cautious while making such reforms and that concrete, feasible plans should be made before action is taken.

All the regions which have adopted the reform have gained noted results, although changes are different from place to place, according to the paper. Farmers are satisfied with the changes because now it is possible for them to sell their grain products at market prices. They no longer feel they are losing out by selling at state-set prices.

Farmers have begun to choose what to grow according to market need and this improvement, according to the newspaper, will promote the development of grain production and the readjustment of agricultural structure and grain variety.

Another positive effect is grain subsidies have been slashed, leading to fewer financial burdens faced by local governments.

To cope with intensifying multi-channel competition, state and collectively run grain shops are developing new businesses—such as processing grain into various kinds of daily food—which are warmly received by the public, said the newspaper.

#### Zhu Rongji on Socialist Market Economy in SEZ's

HK3009141592 Hong Kong ZHONGGUO TONGXUN  
SHE in English 1216 GMT 30 Sep 92

[Text] Shenzhen, September 30 (HKCNA)—Vice Premier Zhu Rongji, talking on the socialist market economy during an inspection visit here between September 20 and 26, said that a model and an embryonic form for such an economic system should first of all be moulded in the special economic zones (SEZs).

The establishment of a healthy socialist market economy model and having it operate efficiently, according to Mr. Zhu, are up to the special economic zones of Shenzhen and Zhuhai. Should this matter not be settled within a period of between five and ten years, the national economy would find it difficult to proceed further. For the sake of the creation of a socialist market economy model, the government has to release power to enterprises and properly handle macro regulation and control in a bid to offer a sound economic environment for enterprises to enable them to move towards the market system. Responsibility should be shouldered by enterprises themselves, including self-management and responsibility for their own profits and losses in market competition. Any enterprises with a poor performance should go bankrupt and the personnel in charge of such enterprise be held liable. Under such circumstances, the government will play only a supervisory role over industries.

As for further development in Shenzhen, Mr. Zhu said that the municipality should strive hard to become an international metropolis. In order to achieve this end, it should first of all properly handle construction of infrastructural facilities and seek sound city planning of a high standard. Second, it should further develop high-grade tertiary industry including finance, service, consultation, warehousing, storage, tourism and commerce. As for industry, Shenzhen should devote itself to the development of new high-tech industries with the emphasis on technology and knowledge and on good economic results.

Mr. Zhu pointed out that Shenzhen and Shanghai should develop into national stock trade centres to serve the country. Relevant methods, systems and laws should be set up and improved as early as possible. He added that the authorities had great confidence and resolve in the trial listing of shares.

**Daily Cited on Reform, Economic Growth**

OW0110035792 Beijing XINHUA in English 0248  
GMT 1 Oct 92

[Text] Beijing, October 1 (XINHUA)—China's thirteen-year-old reform and opening drive has created the right conditions for the nation's economic sectors to thrive, "CHINA DAILY" said today.

In a statement released on the eve of New China's 43rd anniversary, the State Statistics Bureau revealed the nation has managed an average annual gross national product growth of 8.6 percent over the past 13 years, or in cash terms, from 358.8 billion yuan (64.1 billion U.S. dollars) in 1978 to 1,985.5 billion yuan (354.6 billion U.S. dollars) last year.

What is encouraging, the bureau said, is the upward momentum in agricultural and industrial production, fixed-assets investment, communications, foreign trade, the brisk market and a fast income rise for government and factory employees.

China now is the top grain, cotton, edible oil and meat producer in the world.

Statistics revealed that last year, China's gross agricultural output value achieved an average annual growth rate of 5.9 percent.

A hefty increase of loans in circulation and the streamlined structure of investment have pushed the development of the industrial sector towards a new stage.

The nation's gross industrial output value realized an annual growth rate of 10.4 percent over the past 13 years.

China's power generation capacity was up to 677.5 billion kilowatts-hours last year, almost 62 percent greater than in 1978.

Steel production reached 71 million tons last year, up by 39.2 million tons from 13 years ago, making China the fourth largest steel producer in the world.

Government and bank investment gained strong momentum, with 1,438 large and medium-sized projects being put into operation during the 1978-91 period.

Investment flowing into the nation's construction projects totalled 1,393.5 billion yuan (248.8 billion U.S. dollars) during the period. Fixed-assets increased by 1,937.2 billion yuan (285.2 billion U.S. dollars) from 1978 to 1991.

The bureau's statistics also illustrated the accelerating development of the nation's transportation.

In 1991, total freight volume handled by the nation's transportation network was 2,798.6 billion ton-kilometers and passenger volume handled by the network reached 617.8 billion person-kilometers, representing increase of 180 percent and 250 percent respectively on figures for 1978.

China's foreign trade, the economists said, increased to 135.7 billion U.S. dollars last year from 29.6 billion U.S. dollars in 1978. They attributed the development to the quality improvement of industrial products and the brisk cooperation with outside partners.

The latest statistics show that during the first eight months of the year, China exported 50.6 billion U.S. dollars worth of goods, up 17.2 percent on the same period last year, while imports totalled 45.9 billion U.S. dollars, up 21.9 percent from the corresponding period last year.

Meanwhile, the deepening reform in the nation's economic system has created an economic structure of diversified ownerships, with state-owned firms acting as a pillar.

Statistics show that, because of this development, per capita yearly income in the urban areas reached 1,544 yuan (275.7 U.S. dollars), up 110 percent on the figure for 1978, after the deduction of price hikes, that for rural areas topped 798 yuan (126.6 U.S. dollars), up 220 percent over the 1978 figure.

Saving deposits by the country's urban and rural people showed a 42-fold increase from 1978 to reach 911 billion yuan (162.7 billion U.S. dollars) in 1991.

**Dialectics of Liberating, Developing Productive Forces**

HK0110041292 Beijing RENMIN RIBAO in Chinese  
18 Sep 92 p 5

["Seizing Opportunities To Develop Ourselves" column by Wu Yuanliang (0702 0337 2733): "On the Dialectics of Liberating and Developing Productive Forces"]

[Text] Comrade Deng Xiaoping pointed out in one of his southern-inspection tour speeches: "In the past we mentioned only developing productive forces under socialist conditions. We did not mention that we must also liberate productive forces through reform. This was incomplete. To make it complete, we should have mentioned both liberating and developing productive forces." It is a profound summing up of the experiences and lessons of building socialism since 1917, as well as a theoretical characterization of our country's practical experiences in reform and opening up. It enriched and developed historical materialism and scientific socialist theory.

Liberating and developing productive forces are two different categories and practical activities. The former—liberating productive forces—directly refers to various social conditions that are hampering productive forces and to social structure and will solve relations between human beings. The latter refers directly to productive forces themselves and solves relations between human beings and nature.

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Liberating productive forces means getting rid of, conquering and cutting out resistance, constraints and yokes that make the development of productive forces difficult, and creating good social conditions for developing productive forces. But what factors lead to such resistance, constraints and yokes? So-called productive forces mean mankind's material power at a certain stage in the form of material wealth gained in material, energy and information exchanges with nature. However, to genuinely exploit this power in productive activities, people must in some way group themselves together into a social body. People must form a specific mode of ownership of capital goods according to the social nature of the productive forces, and, on this basis, form the exchange and distribution relationships between people and the various relationships in productive activities and, further, on this basis, people's political relationships. All these relationships will be consolidated into structures and systems with the help of a series of systems, concepts and customs at the level of political superstructure. This is the **economic-political structure of a society** which Marx once analyzed in detail. People will also have to divide work between themselves according to the technological and handicraft nature of the productive forces. Between them, then, there are technological, handicraft and organizational and managerial relationships, all combined in the principles of corresponding functions, optimization and rationalization, order and manageability. This combination is consolidated into structures and systems through a series of nonpolitical superstructural devices and concepts and customs. This is the **social technology organization and management structure** which Marx analyzed but which has long been neglected. The operation management system people often now talk about is part of this structure. What the former structure solved was problems which people were produced and worked for; the core problem remains one of interests. This can be called **interest-dominated social structure**, which carries the nature of social class. What the latter structure solved was how people produced and worked. The central problem then is how the form of people's association can achieve efficiency and functionality. This can be called **functional social structure**, which does not carry the nature of social class. These two structures interconnect, so that people's responsibilities, powers and interests are all combined, making the whole society an organic body capable of conducting exchanges with nature. When they fit the nature of the productive forces and their requirements for development, they are the social conditions promoting the development of productive forces. When they do not fit the nature of productive forces and their development requirements, they are the social conditions for creating resistance, constraints and yokes against the development of productive forces. Therefore, liberating productive forces means transforming people's social structure, turning it from a form that obstructs productive forces into one that develops productive forces. Of course, at different stages of the development of mankind, this transformation took different natures and forms. Social revolutions

that have happened in human history liberated productive forces because they were able to transform the social structure. The reform and opening up we are pursuing are different from previous social revolutions in nature and form. But given the problems and fields they touch on, they represent a transformation of the social structure. They touch on the form of ownership of capital goods and its exchange and distribution forms; enterprise operation management systems and the political and nonpolitical superstructures of the whole society; and people's concepts and customs. In depth and breadth, the reform and opening up touch all aspects and levels of our country's social structure, and have played, ever increasingly, the role of liberating productive forces. Comrade Xiaoping put it well: Revolution liberates productive forces, and so does reform.

Developing productive forces means that people engage in material and spiritual productive activities to change the factors of productive forces, so that overall productive forces are increased and developed. We must develop education, culture, and health and train and develop the producers and managers required for the development of productive forces. We must develop industry, agriculture and commerce and so on, in order to provide capital, instruments, equipment, energy and resources for the development of productive forces. We must develop scientific research, including natural and social sciences, to provide new theories and technologies for the development of productive forces. Therefore, production force-developing activities include various forms and realms of social production. The development of productive forces brings not only quantitative, but also qualitative change. When labor is the dominant productive force, they are labor-intensive productive forces; when massive material equipment is the dominant factor, then they are capital-intensive productive forces. When there is massive adoption of science and technology, which therefore becomes the dominant factor, they are science-and-technology-intensive productive forces. These three types of production forces actually reflect three historical stages in the development of human production forces, particularly modern and contemporary production forces. Contemporary science and technology have become the primary production force, and science-and-technology-intensive production forces have become the dominant type of production forces in developed countries, and are developing from general science-and-technology-intensive production forces into high-technology-intensive and information-intensive production forces. The labor- and capital-intensive types still account for the majority of production types in our country, but science-and-technology-intensive production forces already play a leading role. Developing production forces means developing science-and-technology-intensive production forces through developing science and technology, promoting the development of the first two types of production forces, and realizing a qualitative leap in our country's development of production forces. Therefore, developing production forces means grasping tightly the



center of economic construction and devoting work to the center, and realizing the target of modernization.

**Although liberating and developing production forces are two different things, between them there is a dialectical relationship in which each is the premise for the other, mutually constraining and transforming each other. Liberating production forces is aimed at enabling more rapid development of production forces through getting rid of various constraints on them; and when production forces have developed to a certain extent, they will inevitably demand that people liberate production forces.**

Within the temporal-spatial scope of social life, the liberation and development of production forces move forward at the same time, supplementing each other and mutually reinforcing each other; or one succeeding or following another. The exact manner of the course of events depends on specific historical conditions and the main problems confronted in the process of the development of production forces. When the form of people's social integration is seriously obstructing the development of production forces, liberating production forces becomes the first problem to be solved; when the form of people's social integration is adapted to, and at the same time contradicts, the development of production forces, people can then proceed with the two tasks of liberating and developing production forces at the same time, and let them promote each other.

The unity of liberating and developing production forces is realized in the repeated process of practice and understanding by human beings as the subject. In this process, the activity of liberating production forces will always evaluate itself by the standard of whether production forces have truly achieved more rapid development. Although liberating production forces means a transformation of the social structure through revolution or reform, it will nevertheless be a complicated process of relinquishing, containing negation and substitution as well as inheritance and exploitation. **Generally speaking, in a social revolutionary process, along with the replacement of the ruling class, the interest-dominated social structure will be fundamentally transformed; whereas functional social structure will be inherited as part of the achievements of civilization accumulated by human beings.** However, the exact effects of the negation, reform, inheritance, exploitation and innovation depend on their practical effects on the development of production forces. Therefore, this process cannot but be a repeated process of understanding and practice in which human beings, on the basis of the practical effects of the development of production forces, continuously verify and adjust the activity of liberating production forces and its results. Socialist society came onto the stage of history as the antithesis of capitalist society. Its historical mission is to replace capitalist society in the future. But in terms of social structure, the only difference between the two lies in the interest-dominated social structure. In terms of the functional social structure the two are identical. In the past people did not have sufficient understanding of the above situation, and therefore, in

the socialist revolutionary and reformist process, paid attention to only the negative side of capitalist society and neglected what can be learned, inherited and exploited from its positive side, and as a result built a highly concentrated planning structure that repelled commodities and the market. For a certain period in the past, this model played its role of liberating production forces. But as production forces developed, its disadvantages and constraints on the development of production forces were increasingly exposed. Comrade Xiaoping brought up the issue of liberating production forces because he wanted us to have a full understanding of the necessity and urgency of reforming this structure and model, and to uphold reform and opening up. Practice has shown that only by upholding reform and opening up can we liberate production forces; and production forces can only be rapidly developed when liberated. In the process of reform and opening up, evaluations of the measures and policies of reform and opening up and the new structure and system built in the reform and opening up process should not be based on the previous concept of being surnamed "socialist" or "capitalist" as described in books; nor should they be based on the ready-made model of other countries. They should be based on the practical effects of the development of production forces in our country; that is to see if they have helped the development of production forces, helped raise our combined national strength and the living standards of our people.

Summing up what has been said above, the problem of whether we can dialectically unify liberating and developing production forces is in fact that of whether we can dialectically unify the "one center" with the "two basic points." Only by upholding the dialectic of liberating as well as developing production forces can we uphold the party basic line and build socialism with Chinese characteristics.

## Article on Changing Enterprise Mechanisms

### Part One

*HK2809151592 Beijing RENMIN RIBAO in Chinese  
11 Sep 92 p 2*

[From the "Series of Lectures on Regulations Governing Change in Operating Mechanisms of State-Owned Industrial Enterprises" column; article contributed by the Enterprise Department of the State Council Economic and Trade Office and the Policy and Legislation Department of the State Commission for Restructuring Economy: "What Operational Decisionmaking Powers Do the 'Regulations' Provide for Enterprises?"—Part One"]

[Text] The key measure in implementing the "Regulations Governing Change in Operating Mechanisms of State-Owned Industrial Enterprises" is to materialize enterprises' operational decisionmaking powers. According to the stipulations of the "Enterprise Law" and in view of the practice of reform in China in recent years, the "Regulations" specify 14 operational powers. Some of them are repetitions of what has already been

laid down in the "Enterprise Law," some are more detailed specifications, and some are extensions to meet the needs of enterprise reform under the new circumstances. Only by understanding and grasping these comprehensively can enterprises implement the "Regulations" better.

### **I. Correctly Interpret the Implications of Enterprise Operational Powers**

Chapter Two of the "Regulations" reads: Enterprise operational powers refer to an enterprise's right to possess, use, and dispose of according to law the assets which the state has entrusted to its handling and management (hereafter called enterprise assets). This stipulation mainly has the following implications: 1) Operational powers cannot be obtained by an enterprise prior to state authorization, and without state authorization an enterprise cannot possess, use, or dispose of the assets of the whole people. Once authorized by the state, operational powers are protected by law and no one, including government departments, is allowed to infringe upon them. 2) The subject holding enterprise operational powers is an enterprise. Government departments, other organizations, or individuals are not entitled to enterprise operational powers and have no right to intercept those powers either. 3) The object of enterprise operational powers is enterprise assets. As a legal person, an enterprise has the right to exercise operational power over all enterprise assets entrusted by the state. The totality of its assets includes not just tangible assets, such as fixed assets and working funds, but also such intangible assets as technology, patents, and trademarks. 4) Enterprise operational powers are a unification of the right of possession, the right of use, and the right of disposal according to law. The right of possession is the enterprise's power to exercise actual control over the assets entrusted to its handling and management by the state. This is the basis of operational powers. The right of use is the enterprise's right to actually use the assets entrusted to its handling and management by the state in productive and other operational activities. The right of disposal is the enterprise's right to dispose of the assets entrusted to its handling and management by the state according to law, including consumption, mortgaging, and compensated transfer. Because "disposal" involves the issue of ownership, "disposal according to law" is emphasized.

Only when an enterprise enjoys all these three rights can it truly become a commodity producer and operator and, in catering to the needs of the commodity economy, conduct productive and other operational activities in good time and in a flexible manner in order to bring about constant development.

### **II. Gist of the Stipulations on Enterprise Operational Powers in the "Regulations"**

1. Regarding the modes for assets management by enterprises. An enterprise which has been authorized to manage state assets should operate in line with the

modes for assets management stipulated by the state and should take up resultant responsibility while enjoying stipulated rights and interests. A certain mode of management determines the interrelationship between the state and enterprises in responsibilities, rights, and interests. Modes of assets management which involve such a distributional relationship can only be designated by the state, but an enterprise has a certain right to choose from the modes of assets management designated by the state and has the right to offer suggestions and make a choice when the specific distribution ratio is being set. In the reforms of recent years, many modes have emerged to cater to the varying circumstances of enterprises, but there are three basic modes, namely, the contract responsibility system, the separation of tax and profit, and the joint-stock system. The "Regulations" put down requirements for these three modes. The "Regulations" fully affirm the system of contracted operational responsibility and make clear that it is necessary to "continue to uphold and improve" it. As things stand now, under the precondition of continuing to uphold it, the focus of improvement on it is to strengthen the enterprise's stamina in development and strengthen the enterprise's constraining mechanism. The separation of tax and profit is largely being experimented with at the moment. In view of the heavy tax burden, low profit retention, and difficulty in repaying loans that the experimental enterprises have generally reported, the "Regulations" clearly require the exemption of enterprises from the post-tax burden in the experiments. As indicated by enterprises where the experiments have been successful, it is appropriate that enterprises are not required to undertake the task of delivering profits after paying taxes, for it not only helps enterprises enhance their solvency but also contributes to the standardization of the relationship between the state and enterprises in distribution. The main task in experimenting on the joint-stock system is to create conditions and standardize methods.

2. Regarding decisionmaking powers in production and other operations. In view of the situation whereby the scope of enterprise operations is too narrow and rigid and cannot be adjusted in time according to market changes, the "Regulations" delegate the following power to enterprises: "An enterprise may, of its own accord, decide to adjust the scope of production and other operations within the trade or with a crossover to other trades. All these adjustments, as long as they conform to the orientation of state policy, should be supported by the relevant departments of the government and the industrial and commercial administrative departments should handle the procedure for a change of registration."

Since reform started, there has always been a certain contradiction between materializing enterprise decision-making power in operations and carrying out the state's mandatory plans, and it is necessary to make some rules on and handle the relationship between these two aspects. Both planning and the market are effective means of resource distribution. In order to effectively

use the mode of planned distribution, it is necessary to reform the mode of implementation. The main approach of the "Regulations" is, catering to what is required to develop the new commodity economy system, to gradually change the administrative mandatory mode into a codified mode in planned distribution; switching from administrative behavior to the behavior of commodity exchange; and changing from the superior-subordinate relationship to an equal relationship. To meet the general demands of enterprises, the "Regulations," in Article 8, specify that the contents of the implementation of plans must be determined by signing economic contracts. Once a contract is signed, both parties must, in accordance with the contract, enjoy rights, perform duties, and take responsibility for any violation of the contract. Also in Article 8, the "Regulations" reduce the number of levels a plan has to go through to reach the enterprise. It stipulates that the planning departments of the State Council and governments at provincial level, or the departments authorized by them, have the right to assign mandatory plans to lower levels. All other plans must not be assigned as mandatory plans, or else enterprises have the right to reject them.

3. Regarding enterprises' rights to fix prices of products and labor services. Giving enterprises the right of pricing is closely connected with the development of pricing reforms. It should not be carried out separately or with undue haste. Under the condition of maintaining a basic stability in commodity prices and in light of actual conditions, the "Regulations" have made certain breakthroughs in existing regulations. First, the scope of direct pricing by the state is reduced. Such labor services as processing, maintenance, and technical cooperation offered by an enterprise can be priced by the enterprise itself; industrial consumer goods for daily use produced by an enterprise, except for a few items, can be priced by the enterprise itself; and most means of production can be priced by enterprises themselves, though a small portion of them are priced by the state. Second, price controls will be made public and codified into law through the publication of a catalog listing controlled prices, and all products which are not listed in the catalog can be priced by enterprises themselves. Third, pricing powers are enjoyed by the price-control departments of the State Council and governments at the provincial level. No other department has pricing powers.

4. Regarding the right to sell products and the right to purchase goods and materials. First, the "Regulations" reiterate the relevant stipulations in the "Enterprise Law": Enterprises may not only market their products on their own accord on a nationwide scale, but may also choose the units and forms of supply of goods, as well as the variety and quantity of the supplied goods. No department or local government is allowed to exercise blockades or restrictions with discriminatory measures. Second, the "Regulations" reiterate that in purchasing goods and materials and marketing products according to the mandatory plans, it is imperative to sign economic

contracts and implement the "Economic Contract Law" strictly. In particular, the "Regulations" further specify how to handle breaches of contract and stipulate that, apart from affixing responsibility to the party which has violated the contract, enterprises may sell products that have been produced and can be openly sold in the market, including products under monopoly and those purchased by specially designated units.

## Part Two

HK2909123692 Beijing RENMIN RIBAO in Chinese  
13 Sep 92 p 2

[From the "Series of Lectures on Regulations Governing Change in Operating Mechanisms of State-Owned Industrial Enterprises" column; article contributed by the Enterprise Department of the State Council Economic and Trade Office and the Policy and Legislation Department of the State Commission for Restructuring Economy: "What Operational Decisionmaking Powers Do the 'Regulations' Provide for Enterprises?"—Part Two]

[Text] 5. Regarding enterprises' powers over export. The "Regulations" stipulate that, when selecting foreign trade agents as their representatives, enterprises are free from restrictions based on localities and trades, and they may select any foreign trade agents to represent enterprises inside China in talks with foreign businessmen. Retained hard currency should be used by individual enterprises; no departments or units should indiscriminately transfer or intercept it. Enterprises may make arrangements for their professionals to cross the border with their own hard currency supplies and should be free from restriction in the ceiling for hard currency expenditures. Based on state rules and regulations, enterprises may contract for projects outside the border, providing technical assistance or labor services. Mature enterprises may conduct import and export activities with approval, sharing the rights and interests of foreign trade enterprises in acquiring the necessary quotas and licenses for imports or exports. Departments and localities should not discriminate against enterprises or impose restrictions on them. If this comes to pass, the legal responsibilities of the relevant units and responsible persons should be investigated and their responsibilities outlined. At the same time, procedures for examining and approving enterprises' professionals who cross the border often are to be simplified.

6. Regarding enterprises' investment decisionmaking powers. The "Enterprise Law" does not explicitly discuss investment decisionmaking powers; however, giving enterprises this power is the objective requirement for converting the operational mechanism of enterprises. Based on the universal demands of enterprises, the basic guiding thought behind the "Regulations" endowment of enterprises with the power to make investment decisions is as follows: First, as both enterprises and the state are subjective aspects in investment, to ensure that whoever makes an investment bears the



legal consequences. Second, to gradually set up a self-development mechanism for enterprises and enhance enterprises' capacity for self-development. And, third, to ensure the orderly progress of investment decision-making by restricting economic conditions and magnifying legal responsibility. To achieve these goals, the regulations have adopted the following measures:

First, the expansion of the scope of enterprises' investment. They are allowed to make investment with retained funds, and, furthermore, they can make investment with goods in kind, land use rights, industrial property rights, and non-patented technologies. The subjects of investment can be enterprises and institutions from various localities and trades within China. Investment can also be made beyond the border with approval. Investment can be made by holding shares in other enterprises, by establishing joint-ventures, or by organizing enterprise groups in accordance with the relevant regulations.

Second, the enhancement of enterprises' investment power. Enterprises have decisionmaking power regarding all those projects which are funded by their own retained or self-collected funds, and for which they are able to resolve the conditions of construction and production. Here, self-collected funds means mutual fund accommodation between enterprises and funds gathered through collection from workers and staffers within the enterprise. Bank loans, shares and bonds issuance are not included in the category of self-collected funds. This stipulation has broken through the past practice of determining the limits of enterprises' investment powers based on limiting investment scope and setting an administrative ceiling on investment.

Third, the explicit stipulation of the policy for encouraging enterprises to increase input with retained profits. Specifically, in cases where enterprises conduct productive construction or supplement circulating capital with retained profits—with the approval of the taxation department—40 percent of the income tax already paid which is allocated to be spent on reinvestment will be returned to the enterprises. This regulation is similar to the relevant regulations in the "Law of Income Tax Concerning Foreign-Funded Enterprises and Foreign Enterprises" and encourages enterprises to increase new input with retained interest and to augment enterprises' capabilities for self-development. In addition, taking aim at the present situation of enterprises having difficulty in developing new products due to a low rate of depreciation, the "Regulations" stipulate that the enterprise may draw additional funds for developing new products based on its economic returns and bearing capacity. The state will formulate new regulations on depreciation, which will permit enterprises to accelerate the depreciation rate.

Fourth, the requirement that enterprises acquire qualifications for investment funds from accountants' or auditors' offices to prevent loss of control in investment. When enterprises want to make investment with

retained or self-collected funds but are incapable of independently resolving construction and production conditions, or if they call for government investment, such cases must first obtain approval. When loans or the issue of bonds are involved, enterprises must send in their applications for approval in accordance with state regulations.

7. Regarding enterprises' power to govern retained funds. The "Regulations" further detail the "Enterprise Law" stipulation on enterprises' power to govern retained funds, and specify that government departments will no longer decide the proportions of various funds in enterprises' retained profits after taxes under the precondition of ensuring the preservation of the value and the appreciation of the enterprises' assets. The enterprises will be left to make their own decision; they may spend the retained funds allocated for production development in developing new products or supplementing the circulation funds, or they may spend the depreciation fund, major repair funds, and other productive funds in technological transformation or productive investment. The enterprise has the right to refuse any department or unit which seeks to transfer its retained funds without compensation or forces it to hand over its profit under the pretexts of depreciation fees or major repair fees.

8. Regarding enterprises' powers to dispose of assets. This decisionmaking power is an important embodiment of the enterprises' "power of disposal according to the law." The "Regulations" stipulate the following: First, based on the inherent characteristics of enterprises' operational powers, the enterprise may guide the disposal of all its assets. Disposal can be carried out in the form of lease, mortgage, or transfer with compensation according to the law. Leasing does not mean that one forfeits ownership of assets, but means that the owner has allowed the lessee to possess and use the assets with compensation. The leased enterprise may obtain compensation by collecting rent or may recover the assets in some other way as stipulated in the lease contract. Transfer with compensation refers to the transfer of assets in physical form, with compensation appropriate to their value. A mortgage is a form of guarantee; mortgage of holdings which are not liquid generally does not involve the transfer of possession and use rights. In any case, the mortgagor would lose the collateral should he fail to promptly repay his debt. This being the case, the "Regulations" stipulate that the enterprise has the decisionmaking power to lease, mortgage, or transfer its fixed assets with compensation; lease of key and full equipment or significant building is allowed, but their mortgage and transfer with compensation must undergo examination and approval of the relevant government department in charge. Second, the use of proceeds from the disposal of enterprises' fixed assets is stipulated. The owner of the enterprises' fixed assets is none other than the state, which has allowed enterprises to manage and operate, with the aim of creating greater social wealth. This being the case, proceeds from the disposal of fixed

assets should entirely be spent on renovating equipment and transforming technology. And, third, to ensure that no state-owned assets are lost in the disposal of fixed assets, it is imperative to assess assets based on the relevant state regulations.

9. Regarding enterprises' power of labor employment. The "Regulations" have made stipulations on recruiting and employing workers. First, the time, conditions, ways, and numbers of workers to be recruited will no longer be relayed by the government but will be decided by the enterprise according to its own conditions. The demarcation line between urban and rural areas in recruitment should not be broken, however. Recruitment of workers in cities and towns not restricted by the limitation of administrative regional division in the city or town where the enterprise is located. In addition, in cases where there are stipulations by the law or and the State Council regarding the employment of demobilized active servicemen, minority nationalities, women, and the handicapped, those stipulations should still be observed. And, second, it is stipulated that the enterprise has the decisionmaking power in the form of employment. It may adopt administration in the form of contracts, or a contract system for the entire body of personnel, or any other form. The enterprise has the power to implement rational combinations of labor, cancel labor contracts, and lay off or fire workers and staffers. Corresponding measures for making arrangements for surplus workers in enterprises is also stipulated.

10. Regarding enterprises' power in personnel management. The essential task of personnel management is to implement appointment and work assessment systems in administrative and technological personnel, remove the "iron armchair" [life tenure], break through the demarcation line between cadres and workers, and implement a cadre system which makes promotion and demotion possible. The "Regulations" have made the corresponding stipulation on this issue.

11. Regarding enterprises' power to distribute wages and bonuses. The chief content in the "Regulations" on this point is that the enterprise has decisionmaking power over the distribution of its wages and bonuses within the general wage volume accessible to the enterprise. The enterprise wage system and specific distribution form are decided by the enterprise; it may implement on-the-job skill wages, hourly wages, or the piecework wage system. Furthermore, the enterprise has decisionmaking power over workers' and staffers' promotions, raises, demotions, and pay cuts.

The "Regulations" have also reaffirmed the stipulation in the "Enterprise Law" on enterprises' decisionmaking power over organizational establishment and refusing apportionment.

### III. Explanations on Related Issues on Enterprises' Operational Power

First, regarding the views of the size of enterprises' operational power. With the presentation of the "Regulations," some comrades believe that the "Regulations" have made some—but not major—breakthroughs in implementing enterprises' decisionmaking powers. We should see that economic restructuring is a full-ranging and gradual process. Converting the operational mechanism of enterprises is restricted by conversion of the government's function, market development, and degree in building the social security system, and is promoted by these aspects. Should enterprise reform be deepened in disregard of the other aspects, it would be impossible for the "Regulations" to achieve the expected results, even if a better job has been done in formulating the "Regulations." Taking aim at the present situation of a lack of enterprise vitality, the "Regulations" have already made a rather impressive breakthrough in the macroscopic control structure by permitting enterprise decisionmaking power over operations. It will not be easy to accomplish this point. With the deepening of economic restructuring, enterprises' operational power will be further expanded; however, the crux of the matter today is to fully implement the powers the "Regulations" allow enterprises so that the "Regulations" can begin to play their role immediately.

Second, regarding explanations in exclusive clauses. In Chapter Two of the "Regulations," exclusive clauses are employed on several occasions; some of them carry the caveat "with the exception of those which the law has stipulated otherwise"; others are appended with the statement that "with the exception of those that the law and State Council have specifically stipulated" and so forth. A comrade has said that an important cause of the difficulty in implementing the "Enterprise Law" was that there were too many exclusive clauses. In actual fact, the application of exclusive clauses is inevitable. First, because the existing "Regulations" form a legal document and are only capable of breaking State Council decrees, if contradiction with existing laws should surface, a revision of the law involved can only be conducted by legislative authorities. This being the case, the "Regulations" cannot contradict existing laws and must confine themselves to the realm stipulated by these laws. Second, proceeding from the current actual conditions, it is imperative to stipulate some exclusive clauses. For example, regarding the failure of clients to perform contracts to the letter, enterprises may market the products involved on their own. For products which the state has explicitly banned from being sold on the market—such as guns, munitions, and poisonous chemicals—exclusive clauses must be formulated to restrict them. Exclusive clauses have specific meanings and can be explained only by those units stipulated in the "Regulations"; no other departments or units should arbitrarily make explanations. Therefore, we can see that exclusive clauses will not affect the implementation of the enterprises' autonomy.

**Meeting on Experimental Enterprise Groups Held**  
*OW0110062492 Beijing XINHUA Domestic Service in  
Chinese 0641 GMT 30 Sep 92*

[By correspondent He Jinsheng (0149 6855 5116) and  
reporter He Tianwen (0149 1131 2429)]

[Text] Guiyang, 30 Sep (XINHUA)—The formation of  
and experimental work on China's 55 large-scale enter-  
prise groups have made new progress. To date, 35 groups  
have been formally established and commenced opera-  
tion, while the other 20 are in the process of being  
established.

The State Council's Economic and Trade Office, the  
State Planning Commission, and the State Commission  
for Restructuring Economy jointly sponsored a national  
meeting to exchange experiences in experimental enter-  
prise groups in Guizhou's Anshun city during the second  
half of September. It was learned from the meeting that  
with the approval of the State Council late last year,  
relevant departments have selected 55 large enterprise  
groups with good foundation such as Baogang Steel  
Plant, Jilin Chemical Plant, and No. 1 Car Plant as  
experimental points. These groups are given more  
autonomy in production and management so that they  
may play the "national team" role in the drive for  
economic construction. The aim of the experiment is to  
better meet the demands of implementing reform and  
opening up, as well as to stimulate the enterprises'  
market orientation.

In the past nine months, the 55 enterprise groups, the  
general departments, and competent departments of  
various trades and professions have done a great deal of  
work and exploration on experimental points in the  
enterprise groups. Especially after Comrade Deng  
Xiaoping's southern tour speech, China's reform and  
opening up and economic construction have undergone  
new changes; this has created a better economic and  
policy environment for the formation of enterprise  
groups and the formulation of supporting policies, thus  
positively promoting the implementation of enterprise  
group experimentation.

Thanks to the joint efforts of all parties concerned,  
implementation of the guidelines of the State Council's  
relevant documents has brought initial results. The  
drafting and formulation of 11 sets of complementary  
regulations in support of experimental enterprise groups  
have all been completed. The eight "implementation  
regulations" on areas including external affairs, indus-  
trial and commerce registration, self-managed import  
and export, statistics, financial management, manage-  
ment of state properties, and management of properties  
of cities with provincial level economic decision-making  
authority have been introduced; the three "implemen-  
tation regulations" on labor, personnel, and finance com-  
panies will also be launched shortly. Some of these 11

implementation regulations are state preferential poli-  
cies for experimental enterprise groups, while some are  
new administration methods specially tailored to meet  
the demands of reform.

The State Council's Economic and Trade Office, the  
State Planning Commission, and the State Commission  
for Restructuring Economy have decided to strengthen  
work in four areas to speed the formation and develop-  
ment of enterprise groups: 1) To speed the evaluation  
and approval process. Efforts should be made to finish  
processing for the 20 groups currently awaiting approval  
by the end of the year. 2) To become involved in the  
enterprise groups to enhance investigation and research  
work, to help enterprise groups iron out their relation-  
ships with competent departments and local govern-  
ments, and to perfect the building of enterprise groups'  
functions. 3) To enhance information work, to prepare  
brief reports well, and to convey information in a timely  
manner. 4) To study further standardization, improve-  
ment, and development of enterprises groups in accor-  
dance with the specifications of the State Council's  
relevant documents.

**'Protected' Industries After GATT Entry Revealed**  
*HK3009142192 Hong Kong ZHONGGUO TONGXUN  
SHE in English 1206 GMT 30 Sep 92*

[Text] Guangzhou, September 30 (HKCNA)—With  
China's re-entry into the General Agreement on Tariffs  
and Trade (GATT) soon to be realized, departments  
concerned are now carrying out projections to rank  
industries to be protected.

Officials pointed out that the small vehicle industry was  
considered one such industry needing to be protected.  
Should the industry not be protected and the average  
rate be reduced to about ten percent in import tariffs  
which now stand at 200 percent, foreign vehicles would  
swamp China whose automobile plants specializing in  
the production of small cars would be forced to close.  
During talks on China's restoration to GATT, the Chi-  
nese side promised to cancel import regulated taxes for a  
range of 18 commodities, but merged such taxes for  
small cars and videotape recorders into tariffs. China  
also pleaded for the cancellation of two-thirds of its  
permits within three years. It is therefore widely believed  
that import tariffs for small cars would not be cut sharply  
in the event of China's re-entry into GATT, while prices  
for domestically-produced small cars would not decline  
greatly. Such kind of protection, however, would be  
temporary and it would be impossible for domestically-  
produced cars to maintain unreasonably high prices. The  
time of rushing to set up sedan car manufacturing plants  
now seems to have come to an end.

The videotape recorder industry is just now in its bud-  
ding state in China and if it is not given protection, it will  
be doomed to failure. It is generally believed that the  
industry will be included in the protection list. An  
analysis by experts said that machinery and the electrical  
industry, textiles, cameras and computers would be



excluded from the protection list. They pointed out that China would give preferential treatment to some items while stripping others of such treatment in order to involve itself to a great extent in international division of work and cooperation which is viewed with some urgency.

The resumption of China's status as signatory to GATT carries great significance. Bearing in mind the coexistence of short-term difficulties and long-term influences, experts warned enterprises that not being included in the protection list might not be a bad thing. The earlier the impact comes, the earlier contingencies are made. It is said that the greatest impact does not lie in the transfer of tariffs and taxes, but rather in shocks resulting from the establishment of a connection between China's economic and trade system and the principles of GATT.

The greatest benefit lies not in the expansion of exports but largely in pushing forward China's process of reform and openness.

#### **BOC Grants Hard-Currency Loans for Projects**

*OW2909112792 Beijing XINHUA in English 0953  
GMT 29 Sep 92*

[Text] Beijing, September 29 (XINHUA)—The Bank of China (BOC) today approved two loans, one of 53 million U.S. dollars to Shougang NEC Ltd. (SGNEC), a joint venture between Nippon Electric Company and the Capital Iron and Steel Complex, and the other for nearly 90 million U.S. dollars to the Civil Aviation Administration of China (CAAC).

SGNEC, which specializes in developing and producing large-scale integrated circuits, is one of the key construction projects in China's Eighth Five-Year Plan (1991-1995).

The loan to CAAC will be used mainly in importing equipment for pilot training and in paying for five imported planes, according to an official from the Bank of China.

#### **State Council Approves Steel Project Development**

*OW2909112692 Beijing XINHUA in English 1116  
GMT 29 Sep 92*

[Text] Shanghai, September 29 (XINHUA)—The Baoshan Iron and Steel Plant near Shanghai, the biggest industrial city in east China, has entered a period of all-round development.

The State Council has approved its third phase of construction and its tasks of designing, equipment manufacturing, technology import and fund preparation have started.

Wang Peizhou, deputy head of the plant, said it will fulfil three major tasks in the 1990s. The first will be to step up construction of the third phase of construction and increase the annual production of steel to 10 million tons by 1999; the second will be to gradually set up a Baoshan

Iron and Steel Company Group; and the third, to set up a big iron and steel enterprise with annual steel production of 1,000 tons in south China.

Wang said that the plant plans to become the fourth or fifth biggest iron and steel enterprise in the world and rank among the 200 biggest industrial enterprises in the world.

The State Council has also approved the setting up of the Baoshan Iron and Steel Company Group to take in some local iron and steel firms in Shanghai.

Meanwhile, it will set up four joint ventures with the United States, Hong Kong and Germany in the fields of metallurgical automation, electronics and computerisation.

#### **Advanced Special Steel Production Line Operational**

*OW2809142292 Beijing XINHUA in English 1313  
GMT 28 Sep 92*

[Text] Shanghai, September 28 (XINHUA)—China's most advanced special steel production line was put into operation here today in the Shanghai No. 5 Iron and Steel Mill.

Costing a total of 430 million yuan, the production line will mainly produce steel for automobiles, square steel and flat steel which are in demand on China's domestic market.

A key national scientific renovation project and also the No. 1 industrial project in Shanghai in 1992, the production line is able to roll 16.2 meters of steel per second at its highest speed with imported German equipment. It also has an annual production capacity of 300,000 tons [tonnes] of alloy steel of top quality.

Experts said the operation of the production line will update China's small-size special steel production to a remarkable degree, and improve China's automobile and bearing industries as a whole.

Started in December 1988, the project was finished and put into production on a trial base in July this year. The production line is expected to generate 30,000 tons of special steel by the end of this year, 150,000 tons by 1993 and 300,000 tons by 1995.

In addition, income from the special steel will reach 2.17 billion yuan in three years, and profits will top 230 million yuan, according to the mill's plan.

In construction of the project, a shareholding system was adopted in the management mechanism. With the approval of the Shanghai Municipal Government, the project has been named the Shanghai Huchang Special Steel Co. Ltd.

### New National Steel Production Target Set

OW2909081292 Beijing XINHUA in English 0756  
GMT 29 Sep 92

[Text] Beijing, September 29 (XINHUA)—As China speeds up the pace of the dozen-year-old ongoing reform, the country's steel industry has increased its steel output and aims at 100 million tons [tonnes] a year by the turn of the century.

This remark was recently made by Qi Yuanjing, minister of the country's metallurgical industry.

China formerly set the target at 80 million tons, but the new round of reform brought about by Deng Xiaoping's south China tour early this year has accelerated all-round development.

According to official statistics, China's steel output reached 40 million tons in 1984; 50 million tons in 1986; 60 million tons in 1989 and 70 million tons in 1991.

In the meantime, the fast growing steel production has slowed down the country's imports of steel. Last year China bought a mere 3.3 million tons of steel from abroad, compared with almost 20 million tons in 1985.

However, the country's steel production still lags far behind the demands of economic growth. Moreover, the country has to import a large amount of special steel.

According to the minister, China will produce 72 million tons of steel this year, which is the output target set for 1995 by the National People's Congress early last year.

To reach the new plan for steel production, China's steel industry has to improve the quality of steel products, and upgrade technology and equipment, Qi noted.

The minister said China lags 10-15 years behind the developed countries with regard to the application of electronic technology in large and medium-sized steel makers, as only 13 percent of the existing steel plants are equipped with automatic-control equipment.

In the 1990s China will carry out technological upgrading in its larger steel manufacturers, according to the minister.

What's more, he said, the country will build new steel production bases in the coming years.

During the past four decades steel has turned into one of the country's pillar industries, with a total staff of three million including a large number of technical personnel.

### XINHUA Commentary Denounces Fake Products

OW0110112092 Beijing XINHUA Domestic Service in Chinese 2103 GMT 28 Sep 92

[Unattributed commentary "specially written for China's Long March Toward Quality Control campaign": "When People Wake Up"]

[Text] Beijing, 29 Sep (XINHUA)—In the past, when considering their "fake" products, the people living in Jinjiang hung their heads in shame. Now, they raise their heads high, feeling proud of the lesson they have learned. They have achieved great results in producing "genuine" and "brand-name" commodities, and very good results at that.

This is an interesting change—one that demonstrates how persuasive the lesson has been.

When it comes to fake commodities, some people invariably consider them to be products that "bring about economic efficiency" or "gain extra advantage." But it is a matter of fact that fake commodities do not do anyone any good because, as the saying goes, curses always come home to roost. When a commodity's notorious reputation spreads, who will buy it? When a person is thought to be a liar, is it possible for him to restore his name the next morning when he wakes up? This is something from which people living in other areas can draw lessons.

Of course, some black sheep do not think this way. They do not give a damn about the reputation of the town in which they live and work. All they think about are windfalls. Well, how will local leaders and people handle such cases? Will they shield these black sheep with patriarchal protectionism, or will they take real action to protect local interests by exposing and eliminating them? Only by working together can we teach these crooks a lesson.

The correct way to improve the economy lies in promoting quality, developing brand-name products, and providing excellent service. This is the surest and quickest way to lead to a bright future. Some people have a talent for turning out fake commodities, many of which even look like genuine products. If such talent can be viewed as "intelligence" or "flair," why do these people not use their talent decently and correctly?

### High Returns From Lottery Ticket Sales Reported

HK3009151792 Beijing ZHONGGUO XINWEN SHE in Chinese 1208 GMT 22 Sep 92

[Text] Beijing, 22 Sep (ZHONGGUO XINWEN SHE)—A total of 2.9 billion yuan of social welfare lottery tickets—the only official lottery in China—have been sold over the past five years, raising nearly 1 billion yuan of social welfare funds.

This reporter learned from the China Social Welfare Lottery Committee today: At present, with the exception of Tibet, over 140 prefectures and cities and over 1,500 counties in 43 provinces, autonomous regions, municipalities, and cities with a separate state planning listing have already issued this kind of lottery ticket, and a network of lottery ticket issuing organizations extending from the central to the county levels has taken shape.

It was learned that more than 2,000 full-time administrators and staff members and more than 20,000 working

personnel responsible for printing, storing, transporting, and selling lottery tickets are working in this field, and the fixed asset value exceeds 40 million yuan.

By the end of 1991, the funds raised from these lottery tickets were appropriated for initiating and revamping more than 17,000 welfare undertakings and projects of various kinds, thus solving the problem of adopting a large number of orphans, the aged, the disabled, and infants, and the employment problem of a large number of disabled. In addition, a large number of social welfare undertakings were subsidized by these funds.

Leading cadres of the China Social Welfare Lottery Committee said: The committee has instituted a strict accounting system and an internal audit system to administer the funds raised from issuing lottery tickets. It will also release relevant information to the public at regular intervals to accept supervision from all sides.

With comprehensive auditing conducted by the State Auditing Administration and by auditing offices entrusted by the Administration, it was confirmed that the China Social Welfare Lottery Committee had not violated the law or discipline in using and administering the welfare funds.

**Accelerated Development of Three Gorges Urged**  
*HK2909133792 Beijing ZHONGGUO XINWEN SHE*  
*in Chinese 0537 GMT 15 Sep 92*

[By reporters Wei Lin (7279 2651) and Mao Wei (0379 7289): "Li Boning Says the Three Gorges Reservoir District Can Be More Open Than Coastal Areas"]

[Text] Beijing, 15 Sep (ZHONGGUO XINWEN SHE)—At an interview with this agency's reporters today, Li Boning, director of the Office for Economic Development in the Three Gorges District under the State Council, said: The relevant state departments are studying pursuing a policy in the Three Gorges reservoir district which is more open and preferential than that introduced in the coastal areas so as to absorb domestic and overseas funds to accelerate the district's economic construction.

He said: In the area of foreign funds utilization, it is true that the Three Gorges Project needs to import some equipment and technology, but only in a limited amount. What requires large amounts of investment is the emigration and development of the entire reservoir district, such as the development of land and grassland, crop cultivation, animal husbandry, processing industries, mineral resources and chemical and construction materials industries, and tourism resources and tertiary industry.

According to the plan, it will take 18.5 billion yuan to move 1 million people or more out of the Three Gorges reservoir district. The emigration of such a large population has always been considered the most difficult task of the Three Gorges Project. In view of the past lessons in moving people out of reservoir districts, the state has decided to pursue a new emigration policy, turning one-time compensation into exploitive emigration. In other words, the policy will not only ensure that the emigrants will have enough food, clothing, and employment but will also help rationally redistribute and develop the local economy so it can take off rapidly. Along with Shanghai and Wuhan, this district is considered the dragon's head, body, and tail of the entire Chang Jiang economic belt.

Li Boning said: Many foreign businessmen expressed interest in the area and proposed specific investment projects, including building three-dimensional industrial towns, exploiting mineral resources, setting up mine [kuang shan 4349 1472] chemical industrial enterprises, and running hotels for tourism purposes. He said: To improve the reservoir district's investment environment, the construction of infrastructure facilities is in full swing. First, the special express through train from Beijing to Yichang will be opened and, at the same time, the construction of a new railway and the Yichang Airport is being prepared.

The work of mobilizing domestic forces to invest in and support the Three Gorges Project has begun. Since the National People's Congress adopted the proposition on building up the Three Gorges Project in April, a major action has been taken, that is, a State Council work meeting among related departments on assisting the emigration of the Three Gorges Project reservoir district was held recently, and was attended by approximately 30 persons in charge of provinces, municipalities, ministries, and commissions. The central authorities urged all localities throughout the country to make concerted efforts to support the Three Gorges Project and accelerate the placement of the migrants. Beijing Municipality has taken the lead in establishing friendly ties with Yichang City, and some counties of Yichang City have established assistance ties with some counties in Hubei and Sichuan. The Ministry of Chemical Industry is planning to give aid to two major chemical industrial projects in Sichuan and the Ministry of Textile Industry is also planning to support a series of factories, including East Sichuan's paper mill and tannery.

Li Boning said: The experimental emigration work has been carried out at an accelerated rate, and 500 million yuan will be invested in this effort next year. The central authorities will make a decision soon on the preferential policy to be pursued by the reservoir district in opening itself to the outside world.



### East Region

#### Success Noted in Oil Refinery Trial Operation

OW0110090292 Beijing XINHUA in English 0822  
GMT 1 Oct 92

[Text] Fuzhou, October 1 (XINHUA)—The successful trial operation of the first phase of the Fuzhou oil refinery in east China's Fujian Province indicated the end of the province's no oil-production history.

The oil refinery is a key provincial construction project. It was jointly funded by the China Petrochemical Corporation and the Fujian provincial government. It costs 1.8 billion yuan and will have a designed annual crude oil refining capacity of 2.5 million tonnes.

The whole oil refinery, the largest project in the raw material industry in Fujian, will be built in two stages.

The first phase of the project included the installation of five sets of equipment. Another five sets of equipment, the second stage, are expected to be put into operation in 1993.

Construction of the oil refinery, which is located on the southern bank of the Meizhou Gulf, started in 1990. The operation of the first phase of the oil refinery will greatly promote the economic development of the Meizhou Gulf. It will also help improve the investment environment and speed up the reform and opening drive of the province.

In addition, this will lay a good foundation for the Meizhou port to become an international ocean shipping transfer station and a refueling point for foreign ships in the future.

#### Foreign Service Center Built in High-Tech Zone

OW0110090392 Beijing XINHUA in English 0825  
GMT 1 Oct 92

[Text] Shanghai, October 1 (XINHUA)—Construction of a foreign service center, which is located in the Caohejing high-tech development zone, started in this leading industrial city of China.

The 21-story service center will have apartments, office rooms, stores, sports and other entertainment facilities. It will offer accounting, customs, insurance, banking and other services to foreigners.

The center will cover a floor space of 21,128 square meters and is expected to be completed in the first half of 1994.

Founded in 1986, the Caohejing development zone is the first comprehensive high-tech development zone in the country. Now it has nearly 100 research organs, international high-tech enterprises, privately owned high-tech companies and international economic and foreign trade service organs in an area of three square kilometers.

So far, there are 68 foreign-funded enterprises in the zone, involving an investment of 400 million U.S. dollars.

### Central-South Region

#### Taiwanese Investment 'Strong Force' in Guangdong

HK2809043492 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 27 Sep-3 Oct 92  
p 2

[By staff reporter Zheng Caixiong: "Taiwanese Zealous About the South China Market"]

[Text] Guangzhou—Taiwanese investment has become a strong force in Guangdong Province since early this year.

At least 300 Taiwanese companies chose to invest in Guangdong in the first half of this year, an increase of 50 percent over the same period last year, according to the Provincial Committee of Foreign Economic Relations and Trade.

The figure brought the total number of Taiwan-invested firms up to 1,000, with an investment of \$1.5 billion.

Guangzhou, the capital of Guangdong, attracted nearly \$1 billion of Taiwanese investment in the first seven months of this year.

Another 1,000 Taiwan firms have established manufacturing firms in the Pearl River Delta region of Guangdong that serve as suppliers to their businesses on the island.

Most of the Taiwan-invested firms are in the medical, real estate, chemical, building materials and power industries.

A Taiwan tourist company signed a contract early this year to construct an amusement park near Guangzhou Railway Station. The project, costing \$10 million, is the first Taiwan investment involved in the mainland's tourist industry.

The Kingtel Telecommunication Corporation, the largest telephone manufacturer in Taiwan, has so far invested over \$6 million to build an industrial park in Huizhou.

The park, already in its second phase of construction, will eventually cover an area of 1 million square metres.

Kingtel expects to use local technical and labour forces to produce telephones and other electronic products, and export most of its products abroad.

Huizhou, a booming city near Shenzhen and Hong Kong, approved 30 Taiwan-funded projects in the first six months this year, with an investment of over \$60 million, up 45 percent over the same period of last year.

The projects are mainly related to electronics, chemicals, machines and foodstuffs.

**Henan Governor Addresses Family Planning Symposium***HK3009141992 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 23 Sep 92*

[Text] The Henan Provincial Symposium on Joint Family Planning Work by the Army and the People opened in Zhengzhou yesterday morning.

Those attending the symposium included: Li Changchun, Wu Jichuan, Wu Guangxian, Lin Xiao, Fan Qingcheng, Huang Qiugui, Zhang Sijing, Lu Yongbu, and other provincial party, government, and military leaders as well as commanders of various troops stationed in Henan.

Liu Hanbin, State Family Planning Commission vice minister; Li Jinai, People's Liberation Army [PLA] General Political Department deputy director; and Qu Jinmin, Jinan Military Region deputy political commissar, especially came to attend and offer guidance to the symposium.

At the symposium, on behalf of the provincial government and the provincial coordination group for joint family planning work by the army and the people, provincial Vice Governor Fan Qingcheng gave a report in which he summarized the family planning work carried out jointly by the people and the troops throughout the province.

Li Jinai, PLA General Political Department deputy director and PLA Family Planning Leading Group director, also delivered a speech calling on all PLA units to attach growing importance to family planning work, to continue to step up, improve, and make a success of the joint family planning work by the people and the army, and to contribute to slowing down the current excessive population growth.

Provincial Governor Li Changchun congratulated the symposium on behalf of the provincial party committee and government. He said: The fact that the Army and the people have been jointly carrying out family planning work is evidence of the excellent situation of the army and the people jointly building socialist spiritual civilization. This activity has already yielded relatively good results. By joining hands with the locally stationed troops in family planning work, the masses of grass-roots cadres across the province have learned from the PLA how to conduct in-depth and meticulous ideological and political work. As a result, family planning work at the grassroots level has been stepped up, and a sound basis has been laid, upon which family planning work can be regularized and systematized. Moreover, relations between the army and the government as well as between the army and the people have also been further strengthened and the two-support activities have been raised to a new level.

Li Changchun expressed the hope that areas throughout the province will, by implementing the spirit of the

symposium, strive to push onto a new stage army and the people's joint family planning work.

**Southwest Region****Deputy Secretary Raidi on Human Rights in Tibet***OW3009143492 Beijing XINHUA in English 1229 GMT 30 Sep 92*

[Text] Lhasa, September 30 (XINHUA)—"My personal experience is the best illustration of changes in human rights in Tibet," Raidi, a beggar in the past and now a senior official in Tibet, told XINHUA.

Raidi, 54, deputy secretary of the Tibet Autonomous Regional Committee of the Communist Party of China (CPC), said that he comes from a poor herdsman's family in Biru County of Nagqu Prefecture. In his childhood, the family of four had only a few head of sheep and cattle and was supported solely by his mother.

"I became a lama at the age of six and was sent to the nearby temple where I had to bear reproaches and beatings in addition to doing various dirty and weary chores," he reviewed.

"Since the temple in northern Tibet provided food for the junior lamas only when religious ceremonies were held, I had to serve as a domestic helper in families of slave owners, tribal chiefs or living Buddhas," he said.

He pointed at a scar on his forehead and said: "This is the result of a beating with a club by the children of a tribal chief.

"In addition to the exhausting jobs and weary chores, the domestic helper had to do anything the master wanted him to do," Raidi said.

"The children of the tribal chief often ordered me to crawl on the ground and let them ride on my back. They even lassoed my neck or mouth with a rope and beat me while riding," he said.

One summer the children of the tribal chief lassoed him and several poor teenagers and drove them into the river. "When I was driven to the middle of the river, they loosed the lasso and I was washed away by the torrents. Fortunately, a herdsman saved me later," he said.

"I could no longer bear the insults," he said. Then, he started begging. Once, a tribal chief's dog bit his leg so severely that he had to stay in bed for several months to recover.

His mother had to take official corvee before she gave birth. Some former Tibetan troops had beaten her black and blue despite her condition. "My mother was almost dead," he said.

His elder brother starved in late spring that year.

"My experience is common among the serfs and slaves who accounted for 95 percent of the population in old Tibet," he said.

"Old Tibet was the area where human rights were violated most severely," he added.

In 1959, a handful of upper class rabble rousers incited a rebellion. Rebel Tibetan troops committed various crimes. The People's Liberation Army (PLA) entered Tibet to protect people's lives and property.

"Though I did not know what the PLA was, I know the PLA soldiers were kind to us poor people," he said.

"They sent me food and clothing. They treated me kindly and equally. It was the first time I felt respect and care from other people," he said.

In autumn 1959, at the age of 21, Raidi was sent with many other young people from former serf and slave families to study in the Tibetan class of the central cadres school of political science and law in Beijing.

"Though we could not read or write at the beginning, the teachers and officials never discriminated against us. They patiently taught us lessons in culture and looked after us in their spare time," he said.

After three years' study, he returned to his home in Nagqu Prefecture and became a state employee. In 1972 he was appointed secretary of the Nagqu prefectural committee of the CPC and in 1975 he was promoted to secretary of the regional committee. Now he is deputy secretary of the regional committee of the CPC and chairman of the regional committee of the Chinese People's Political Consultative Conference.

Raidi has a family of five—his mother, wife and two children. Both his son and daughter are college students now.

Workers in the regional government said that Raidi, though a senior official in the region now, has been strict with himself and his family members never abused his power.

Referring to this, Raidi said: "Since the party and the Tibetan people trust me, I should devote myself to the cause of building up Tibet."

#### **Lhasa Citizens Celebrate National Day**

OW3009143392 Beijing XINHUA in English 1250 GMT 30 Sep 92

[Text] Lhasa, September 30 (XINHUA)—With the approach of National Day (October 1), Lhasa city, capital of China's Tibet Autonomous Region, has taken on a new look, with colored flags and red lanterns festooning its buildings.

The enclosing walls and railings along the major streets of the city have been removed, replaced by a number of newly built shops and stores.

Bargor Street, in the center of Lhasa, is crowded with people. Pedlars in more than 2,000 booths on the street solicit customers in various languages.

A pedlar from southwestern China's Sichuan Province said business is quite brisk these days. He sells hada in front of the Tohkang temple. Hada is a piece of white silk used as a greeting gift among the Tibetan and Mongolian nationalities. He said he has sold more than 500 pieces of hada a day in the past few days, double the usual number.

In the free market surrounding the Potala Palace fresh vegetables, fruits and meat are sold, specially for the festival.

The region's commerce and grain departments began to purchase large amounts of commodities from the other provinces and cities as early as two months ago. The non-staple foodstuffs company of the autonomous region also bought 150 tons [tonnes] of butter and 300 tons of brick tea from Sichuan Province and the Inner Mongolia Autonomous Region specially for people of the Tibetan nationality.

Parks and cinemas are more popular than ever before. Many Tibetans have pitched tents in Dragon King Pool Park. On the green grass young people hold disco dances, while the older people sit on the ground, drinking highland barley wine while chatting.

A manager of the Lhasa cinema said some Tibetans from the grasslands watch several films one after the other. The newly established karaoke halls also attract large numbers of young people.

#### **Yunnan Governor Addresses Executive Meeting**

HK3009123792 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 24 Sep 92

[Text] The 55th provincial government executive meeting concluded yesterday. The meeting called on the whole province to resolutely, conscientiously, and comprehensively implement the Regulations for Shifting the Operational Mechanism of Industrial Enterprises Owned by the Whole People and to give more scope to the backbone role of all large and medium state-run enterprises.

During the three-day meeting, leaders of various economic work departments and bureaus as well as comprehensive departments directly under the provincial authorities and leaders of a number of enterprises that are implementing the above-mentioned regulations on a trial basis concentrated their efforts on conscientiously studying the regulations. As a result, they put forth a number of views and proposals—based on their respective conditions—on how various government departments should transform their functions and how various enterprises should shift their operational mechanisms in the course of implementing and carrying out the regulations.



At the closing session of the meeting, provincial Governor He Zhiqiang made arrangements for the province's regulations implementation work and set out the following 12 specific requirements to that effect:

1. to fully understand the importance of promulgating the Regulations and enhance consciousness in implementing the Regulations;
2. to update ideological concepts in a down-to-earth manner and transform a planned economy concept into a market economy concept;
3. to work out corresponding measures for implementing the Regulations in light of reality;
4. to speed up the functional transformation of various government departments;
5. to create favorable conditions under which enterprises can shift their operational mechanisms;
6. to delegate all operational decisionmaking powers to the relevant enterprises as defined in the regulations;
7. to provide specific guidance for the regulations implementation work;
8. to shift enterprise operational mechanism in the course of expanding opening up to the outside world;
9. to vigorously develop tertiary industry in the course of shifting the enterprise operational mechanism;
10. to accelerate the building of a market economy in Yunnan and set up a macroeconomic regulation and control system as well as a social security system;
11. to actively implement a joint stock system on a trial basis and in a measured way;
12. to strengthen party leadership and comprehensively implement and carry out the regulations by relying on enterprise staff and workers.

Provincial Governor He Zhiqiang also called for setting off a provincewide effort to implement the regulations before the end of November. He noted: While studying and implementing the regulations, we must pay particular attention to transforming ideological concepts. Failure to bring about a fundamental transformation of ideological concepts would make it impossible to implement and carry out the regulations to the letter. The functional transformation of various government departments and the operational mechanism transformation of various enterprises should be organically combined and carried out simultaneously. The government departments are shouldering a heavy responsibility for shifting the enterprise operational mechanism. Those decisionmaking powers that belong to the enterprises concerned as enshrined in the Regulations should be returned to those enterprises. Moreover, redoubled efforts should be made to change the current management practices, smooth out the relations of duties, and reform the institutions concerned.

He Zhiqiang emphatically stated: The key to shifting the enterprise operational mechanism lies in gearing enterprise production to market demand and turning enterprises into commodity producers and operators capable of independent operation, self-development, and self-restraint in accordance with the law and of assuming full responsibilities for their own profits and losses. By so doing, we will certainly be able to eventually attain the goal of transforming a product economy into a commodity economy and a traditional planned economy into a socialist market economy.

## Northwest Region

### State Planning Commission Leader Inspects Xining

*HK2909021792 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 20 Sep 92*

[Excerpts] Hao Jianxiu, vice minister of the State Planning Commission, is inspecting work in our province. On the evening of 19 September, provincial CPC Secretary Yin Kesheng, provincial Governor Jin Jipeng, and Vice Governor Cai Zhulin called on Hao Jianxiu and members of her party at their place of residence.

Responsible comrades of the State Planning Commission have come to our province mainly to investigate the development of our social undertakings. Yesterday, accompanied by Governor Jin Jipeng and responsible persons of the relevant provincial departments, Vice Minister Hao Jianxiu visited the Textile Industrial Company, a hospital in (Donggeng) township, and a primary school in the village of (Tangla) in Huzhu County. At the provincial Textile Industrial Company, Hao Jianxiu first listened to reports by leaders of the provincial Light Industrial and Textile Department, and the company. After that, she visited Qinghai Plush Factory, and Qinghai Knitting Wool Factory.

Comrade Hao Jianxiu told leaders of the provincial Textile Industrial Company: You must exploit your strong point of being rich in raw materials. You must be fully determined to do well in technical transformation, and develop marketable products to change the present difficult situation. [passage omitted]

During their provincial inspection tour Vice Minister Hao Jianxiu and her party will also inspect the development of various undertakings in our province, including radio and television, culture, public health, sports, and so on. They will also listen to a work report by the provincial Planning Commission.

### Comments on Inspection

*HK2909043092 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 23 Sep 92*

[Excerpt] When concluding her inspection of Qinghai, Hao Jianxiu, State Planning Commission vice minister,

said that in the future, the State Planning Commission will continue to invest more money in Qinghai.

While exchanging views with provincial party and government leaders Yin Kesheng, Jin Jipeng, Sang Jiejia, and (Liu Keming), Hao Jianxiu said: My current visit to Qinghai enabled me to deepen my understanding of Qinghai. Qinghai is a virgin land rich in natural resources. From the perspective of development, Qinghai enjoys massive potential. What impressed me most about my current trip to Qinghai is that the leadership and rank and file alike are studying ways to tap Qinghai's natural resources, give play to its strong points, and make a success of the economy. During my stay in Qinghai, I devoted more time to finding out how Qinghai's social undertakings have developed. The large numbers of cadres here and people are working silently to revitalize Qinghai. Nevertheless, you have a fairly long way to go to match cities in the coastal areas. In the future, the State Planning Commission will adopt more preferential policies toward Qinghai, including investment policy. We will try our best to take care of Qinghai. We will support construction projects in Qinghai in accordance with priorities. Qinghai people should rely mainly on their efforts to attain the goal of quadrupling the 1980 GNP by the end of this century.

Hao Jianxiu also raised valuable opinions on deepening enterprise reforms in Qinghai. [passage omitted]

#### **Qinghai Secretary Addresses Work Conference**

*HK3009035492 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 22 Sep 92*

[Excerpts] A grand provincial nationality work conference opened at the Qinghai People's Auditorium on the afternoon of 22 September. The conference, which was called by the provincial party committee and government, is a very important meeting in Qinghai's history of nationality work. The main tasks of the meeting participants are to—under the guidance of the speeches Comrade Deng Xiaoping made during his south China tour—conscientiously study and carry out the spirit of the central nationality work conference, evaluate basic experience in Qinghai's nationality work since the founding of the New China, define basic tasks for the nationality work in the 1990's, and study opinions and measures for improving nationality work. [passage omitted]

The opening session was presided over by Comrade Tian Chengping. [passage omitted]

Provincial party committee Secretary Yin Kesheng delivered a report entitled: "Improve Nationality Unity, Develop Nationality Economies, and Work Hard To Achieve Common Prosperity and Progress of All Nationalities."

Yin Kesheng said: Since the founding of our People's Republic, party committees and governments at all levels across the province have paid great attention to ethnic issues and ethnic work, conscientiously carried out the party's principles and policies on ethnic work,

and scored eye-catching achievements. Especially since the Third Plenary Session of the 11th CPC Central Committee, our nationality work has entered a new development phase and our province has seen an excellent situation in which people of all nationalities were united, the society was stable, the economy grew, and people lived in peace and contentment.

Yin Kesheng pointed out: Our experience in doing nationality work for over four decades shows that the key to making nationality work a success lies in firm party leadership. Resolutely carrying out the party's basic line to develop the economy in ethnic areas is a fundamental task of our nationality work. The principle for handling contradictions within the ranks of the people should be followed in settling disputes between various nationalities. All ethnic cadres should work in unity because this plays a key role in developing various undertakings in Qinghai. It is essential to comprehensively and correctly carry out the party's policies on religious beliefs because this is an important component of our nationality work.

After listing the problems existing in Qinghai's nationality work, Yin Kesheng set the main tasks for the nationality work in 1990's as follows: Under the guidance of the party's basic line, conscientiously carry out the spirit of the speeches Comrade Deng Xiaoping made during his south China trip and of the central nationality work conference, keep a firm grip on stability and development—which are our two main pursuits, expedite reform and opening up to the outside world, consolidate and develop the new socialist nationality relationship, and work hard to push forward economic and social development in ethnic areas.

When talking about party leadership over the nationality work, Yin Kesheng said: At the new stage of history, we must properly solve nationality problems and further strengthen party leadership over nationality work so that we can suit the needs of the international situation and domestic construction. Party committees and governments at all levels must really take care of nationality work. The principal leading cadres must concern themselves with nationality work and help solve practical problems. They should tell cadres of various nationalities how important and complicated nationality work is and why it will take a long time to solve nationality problems, so that they will acquire a full understanding of nationality work. It is necessary to constantly improve working methods, adhere to the principle of giving different guidance to suit different conditions, gain a correct understanding of the relationship between stability and development, and strengthen the contingent of cadres doing nationality work.

In conclusion, Comrade Yin Kesheng said: The provincial party committee and government hope the cadres and people of all nationalities across the province will further close ranks, uphold the party's basic line, carry forward the fine tradition of nationality solidarity, and work hard to attain new heights in nationality work

across the province and achieve common prosperity and progress for all nationalities. [passage omitted]

### Article Urges Adopting New Operating Mechanisms

OW2909041892 Urumqi XINJIANG RIBAO in Chinese 12 Sep 92 p 2

[Article by Yin Baolong (3009 1405 7893): "Opening Up Calls For New Mechanism"]

[Text] The call for the "transfer of authority" is gaining resonance amid expanding reform and opening up. Why? Because the old management system and operating mechanisms have become large stumbling blocks in opening wider. Let us look at two examples to prove the point.

Hong Kong Kaipang Ltd. Co. has twice sent representatives to Xinjiang with the intention of setting up a joint venture enterprise in the Urumqi economic and technology development zone. Although an agreement was signed a month earlier, no actual work was carried out because the autonomous region failed to adequately transfer relevant authority to the local administration. The Hong Kong representatives left with regrets after the opening ceremony of the Urumqi development zone.

One Chinese Products Store, a joint venture project between a certain unit in Urumqi and the Republic of Uzbekistan, was scheduled to open 16 June, but the documentation work for personnel to exit the country was not completed until 19 June. This is both funny and annoying.

The basic problem is that upper level departments and relevant functional departments are not willing to delegate: First, they are conservative and conceptually lag behind; they do not adhere to the standard of being "conducive to three causes" to solve problems but, instead, habitually rely on old methods and old regulations to solve new problems; and they are staunch in "guarding authority" and weak in their understanding of the concept of service. Second, they carry the heavy "baggage" of authority and fear losing "control." In this way, they are unwilling to transfer power that should be transferred, and they transfer as little power as possible and then recapture the transferred power. Third, their capacity to accept reform is weak; they single-mindedly stress Xinjiang's uniqueness; and they would rather stay three steps behind than to make one stride ahead for fear of accepting risk.

Situated deep in the hinterland, Xinjiang must create its own advantages in the face of competition from the open coastal and border areas. To catch up with the rest of the open areas, there must be a major liberation of thought, and a new mechanism marked by "high efficiency and adaptability" must be established on the basis of a conceptual change. Competent government departments should, without reserve, fully transfer downward preferential policies prescribed for Xinjiang by the central

government. They may even emulate Guangdong in directly transferring power to rural areas to stimulate enterprise development in accordance with the actual situation. General departments, such as the Planning Commission and the Economic Commission, should delegate the administrative authority of the existing plan to a lower level. During the course of doing practical work, horizontal transfer of authority should not be allowed; enterprises should not be burdened with a new "mother-in law"; and the functions of various department should be changed from distributing funds and materials to making suggestions and policies. "Human management" departments, such as public security, labor, and personnel departments, should move out of the back seat and establish the ideology of serving the central task of economic development to promote the development of a foreign-oriented economy.

At the same time, in terms of urban development work, finance, industrial and commerce, taxation, commodity prices, banks, and customs departments should better serve the development of an opened economy. To do this, attention should be paid to the overall situation of opening to the outside world, and respective shortcomings should be identified so that measures can be formulated to solve problems. In short, it is necessary to use new measures to solve new problems, special measures to solve special methods, and urgent measures to solve urgent problems. It is also necessary to establish new mechanisms compatible with the implementation of the policy of reform and opening up.

### Commentator Calls For Better Organizational Work

OW3009093692 Urumqi XINJIANG RIBAO in Chinese 13 Sep 92 p 1

[Article by XINJIANG RIBAO commentator: "Firmly Keep To the Guiding Principle for Organizational Work—On How To Do Party Organizational Work Better Under the New Situation"]

[Text] At present, Xinjiang has entered a new stage of development in reform, opening up, and economic construction. Since Comrade Xiaoping made his important talks during his southern China inspection tour and the convocation of the plenary meeting of the central Political Bureau, Xinjiang has adopted a series of policies and taken a succession of important steps to deepen reform and to further opening up. With the success of the Urumqi commodity fair, Xinjiang in the hinterland of Central Asia has become a model frontier open region. All party members and the people of all nationalities in the region have shared a common understanding—they should take advantage of the region's good geographic location and abundant natural resources, develop trade first to promote industrial cooperation, go eastward for economic ties and westward for markets, promote a comprehensive opening, and further develop the economy. The new situation has set new, higher demands for the party's organizational work. The cadres



on the organizational front must emancipate their minds, adopt new concepts, and do better organizational work for the sake of reform, opening up, and economic construction.

Comrade Xiaoping has emphasized that a correct political line is guaranteed by a correct organizational line. Whether or not we can achieve successes in reform and opening up and attain the objectives of economic construction is decided to a great degree by whether or not we can manage the party well, and do a good job in selecting cadres and forming leading bodies. If the leading bodies at all levels are well organized, the primary party organizations and the contingent of party members are built up well, the vast number of scientific and technological personnel are given more freedom in work, and the masses show greater enthusiasm, initiative and creativity, we will have no fear of difficulties and setbacks and will always be full of confidence in reform, opening up, and economic construction. This shows the significance of organizational work, as well as the heavy responsibility of the cadres on the organizational front.

In order to do good organizational work under the new situation, it is most important to understand thoroughly the essence of Comrade Xiaoping's important talks, keep firmly to the guiding principle for organizational work, and raise our awareness that organizational work should serve the party's basic line and economic construction. To be more specific, in organizational work we should firmly adhere to the party's basic line, conscientiously

defend the basic line, keep its continuity and stability, and do organizational work for the sake of economic construction. We should take Comrade Xiaoping's talks as a guide, comprehensively and accurately understand the relationship of dialectical unity between the central task and the two basic points, plan organizational work in accordance with the party's basic line, and do organizational work in consideration of the realities of economic construction, reform and opening up. We should use the "conduciveness to three causes [conducive to developing the productive forces of our socialist society, to increasing the overall strength of our socialist country, and to improving the people's living standards]," "the justification of development," and the actual results in helping reform, opening up, and economic construction in the examination of organizational work.

Since the beginning of this year, the organization and personnel departments in this region have done a great deal of work and made a wide range of achievements in comprehensively implementing the party's basic line and in serving economic construction. However, we should also see that this region's organizational work is still behind that of advanced provinces and regions and is still unable to meet the demands of the new situation and the new period. During the region's current organizational work conference, we should seriously sum up experience, have a clearer ideological guidance, take a greater initiative in work, adopt more effective measures, display a greater pioneering spirit, and strive to create a new situation in our organizational work.

**Taiwan's Mainland Affairs Meeting Viewed***HK3009034192 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1146 GMT 20 Sep 92*

[Commentary by Li Xiaozhun (2621 1321 6150): "Taiwan's Mainland Affairs Meeting Lacks Pragmatism and Vision"]

[Text] Hong Kong, 20 Sep (ZHONGGUO TONGXUN SHE)—Taiwan's noteworthy mainland affairs meeting has hastily concluded amid a heavily scheduled agenda. Although this meeting ratified 367 "proposals" on cross-strait civilian exchanges, and it seems to have impressed people with rich achievements, the authorities at the meeting did not list on the agenda some issues concerning people on both sides of the strait, such as direct air and shipping services and direct trade. They did not propose any major open policy, either. Therefore as a matter of fact, this mainland affairs meeting, held for the first time in five years, has impressed people as "only being formalist instead of pragmatic."

This mainland affairs meeting, under the auspices of the Taiwan Executive Yuan, was a large-scale internal review, since Taiwan has allowed its civilians to travel to the mainland for family visits since 1987, during which time cross-strait relations have developed from "confrontation" to "mutual movement." Therefore this meeting received much attention from various circles. Prior to the meeting, people generally hoped that the policymaking authorities would follow popular feelings and the trend of events and take some specific and pragmatic measures in promoting cross-strait exchanges and improving cross-strait relations, and to change a situation in which the authorities always acted against the trends, lagged behind the general public, and hesitated in their decisions. But viewed from its two-day agenda and meeting results, the policymaking authorities still could not make a genuine and pragmatic determination to improve or explore the present state of cross-strait relations.

As a matter of fact, only about 10 of the 300 or so "proposals" submitted by ministries and commissions were really listed by the authorities for "immediate implementation," whereas the rest were listed for "planned handling" or "consideration." As a matter of fact, the so-called opening up and strengthening exchanges were only empty talk, and this made people think these would not come true in the foreseeable future. Some comments from Taiwan's public pointed out that taken as a whole, most of the motions and proposals raised this time were passive, or at most were raised out of consideration for the situation; very few of these motions or proposals were significant to guiding the cross-strait situation. In other words, this mainland affairs meeting seemed to have formed a narrow policy toward the mainland of the Taiwan pattern, instead of a broad policy toward the mainland of the cross-strait Chinese pattern.

In view of the development of cross-strait relations, the policymaking authorities in Taiwan have admitted that mainland affairs have become an important link in the entire administration, but most of the statements reiterated at the meeting were metaphysics and hard for

implementation, such as "cross-strait relations should proceed gradually and step by step according to the principles and process laid down by the State Unification Committee's program, to pursue the formation of a consensus on democracy, freedom, and common prosperity." Therefore public opinion on the island raised this question: The design for the "three periods" in the "State Unification Committee's program" "may be as big as a circle or as small as a dot," but when the objective situation requires us to face the "intermediary period," will the relevant authorities still keep turning around and around in the period of belt-tightening? When formulating a policy toward the mainland, will they make a policy adjustment by taking account of the change on the mainland and the entire situation?

Some academics made the following appraisal: There were many uncertainties at the mainland affairs meeting, where a common understanding had not been reached. What is even more worrying, the authorities lack short-term practice and measures and do not have medium- and long-term plans for the work concerning the mainland.

**Taiwan-XINHUA Publication Distributed on Mainland***OW3009154192 Beijing XINHUA in English 1300 GMT 30 Sep 92*

[Text] Beijing, September 30 (XINHUA)—An economic news service, produced by the TAIWAN TIMES consultancy company and distributed by its Hong Kong branch, has been put on sale through all Taiwan-funded enterprises on the mainland.

"CURRENT NEWS OF TAIWAN TIMES" is co-produced by the Hong Kong branch of the TAIWAN TIMES consultancy company and the economic information service of XINHUA NEWS AGENCY, which will also take up distribution work.

By linking the comprehensive information network of XINHUA's technical department with the international telecommunications network, the electronic information service will transmit up-to-date Taiwan economic news spontaneously on both sides of the Taiwan Straits.

The China economic information service is developing markets for electronic information products in major cities including Beijing, Guangzhou, and Nanjing.

The TAIWAN TIMES consultancy company is an enterprises linked with the CHINA TIMES syndicate. Its "CURRENT NEWS OF TAIWAN TIMES" will provide specific economic information in fields including finance and real estate on Taiwan as well as overseas economic information.

The information service has been well received by Taiwan economic circles.

Spontaneous transmission of economic information on both sides of the Taiwan Straits will greatly promote economic exchanges and cooperation between the mainland and Taiwan.

**Agreement With ROK To Renew 'Consular Affairs'**

SK0110030692 Seoul YONHAP in English 0208 GMT  
1 Oct 92

[Text] Taipei, Oct. 1 (YONHAP)—South Korea and Taiwan, which severed ties in August, agreed Wednesday [30 September] to try to renew consular affairs as soon as possible and protect each other's residents.

Min Pyong-kyu, minister at the Korean Embassy when diplomatic relations were broken off, agreed with the Foreign Ministry's director of Asian and Pacific Affairs to reopen consular affairs as early as possible. Min stayed on after the embassy closed to handle unofficial diplomatic affairs such as protection of Korean nationals in Taiwan.

Wednesday's agreement has enhanced the prospects for new private-level relations between the two countries. The Taipei government promised to flexibly apply pertinent laws, including those related to employment certificates and visas for Korean residents, currently estimated at 2,000, just as it did in the past and try to minimize the damage, Min said. Taiwan also proposed to jointly protect each other's residents in the two countries and Korea agreed, he said.

Employment certificates are issued to foreigners by the government to stem illegal residents and employment, and unless foreigners have them they should face deportation since they are not entitled to resident visas. Every foreigner in Taiwan should renew his residence visa every year through a scrutinized checking system.

If a foreigner has no employment certificate, he cannot extend his visa and the regulation has been rigorously applied since May. Korean residents, however, relished a comparative privilege when the two countries had official ties since the Taiwanese Government flexibly applied the residence regulations to them.

The privilege had diminished since the late 1970s, when relations between Korea and China began ameliorating, and Taipei had begun applying the rules to Korean residents. Korean residents have since may been faced with many hardships in employment due to the government issuing new regulations.

**Officials React to Limited GATT Status Idea**

OW0110094092 Taipei CNA in English 0748 GMT  
1 Oct 92

[Text] Taipei, Oct. 1 (CNA)—The Republic of China [ROC] will never join the General Agreement on Tariffs and Trade (GATT) at the expense of national dignity and sovereignty, Economic Affairs Minister Hsiao Wanchang said Wednesday [30 September].

"We have applied to join the world trade forum as a separate customs territory, and should not be treated on the same lines as Hong Kong and Macao," Hsiao stressed.

The minister said the government will ask the GATT to clarify an "additional" statement by its spokesman David Woods on Taiwan's future status in the world trade regulatory body. Woods told a news conference Tuesday after the GATT's ruling council decided to form a working party to screen Taiwan's application that the ROC's status in the GATT will be similar to those of Hong Kong and Macao.

Hsiao dismissed woods' "additional" notes made outside the GATT council as "wrong and totally unnecessary." He noted that both Hong Kong and Macao have joined the GATT under Article 26 of its charter. The two were recommended into the Geneva-based organization by their respective "sovereign states"—Britain and Portugal. The two colonies were not required to undergo multilateral trade negotiations before they were admitted into the GATT, nor did the GATT set up working parties to screen their membership applications, Hsiao noted.

Wu Tzu-dan, director of the Department of International Organizations of the Foreign Ministry, Wednesday also issued a three-point statement to clarify Taipei's stance. Wu said the ROC was the first country to apply for GATT membership as a "separate customs territory" in accordance with Article 33 of its charter.

"It is different from the cases of Hong Kong and Macao," Wu explained. He asserted that future Taiwan representatives to the GATT should enjoy the same diplomatic privileges that the GATT has agreed with the Swiss Government for all GATT member countries. Wu also pointed out that as Woods' notes were made outside the GATT Council, they might not represent formal GATT stance on the issue. "We'll ask GATT authorities to make further clarification," he added.

Government spokesman Hu Chih-chiang urged the public to refrain from emotional overreaction, saying, "We have to adopt a pragmatic approach in striving for the greatest national interests with our own prowess."

Diplomatic sources said Woods' additional note is the work of those who intend to downgrade the Republic of China's international status. It serves as a warning that the country still face many hurdles on its way to the GATT, the sources said.

**GATT Entry Not Expected To Affect Auto Industry**

OW0110094192 Taipei CNA in English 0753 GMT  
1 Oct 92

[Text] Taipei, Oct. 1 (CNA)—Taiwan's accession to the General Agreement on Tariffs and Trade is not expected to have great impact on the local automobile industry, an



official with the Industrial Development Bureau said Wednesday [30 September].

The government's current auto industry development strategies generally comply with GATT spirit and regulations, the official explained. Compared with many GATT contracting parties, the official said, Taiwan's auto tariff rates are not high.

Tariffs on compact cars have been slashed from 65 percent in 1985 to the present 30 percent, far lower than those in Malaysia and Australia, the official said. He pointed out that although some countries, such as the United States, adopt low tariff rates on imported cars, they have imposed strict quota systems and other non-tariff trade barriers to discourage auto imports. America, for instance, sets an annual import quota of 2.3 million units for Japanese sedans.

The official said the government has not offered much protection for local automakers. The government currently allows imports of small cars from the U.S. and Europe. Starting in 1994, the government will permit imports of sedans from all countries around the world except Japan.

The Finance Ministry said it will revise the current Commodity Taxation Law in accordance with the GATT free and fair trade principles. Under the current law, commodity taxes on finished cars using locally-produced car engines and chassis are three percent lower than those using imported engines and chassis. The ministry plans to cancel the discriminatory measures in preparation for the country's entry into the GATT, a finance official said.

#### **Prime Minister Hao Not To Run for Presidency**

OW0110100392 Taipei CNA in English 0814 GMT  
1 Oct 92

[Text] Taipei, Oct. 1 (CNA)—Premier Hao Po-tsun has for the first time said he will not seek the post of presidency. He told Li Yi, editor in chief of Hong Kong's THE NINETIES [CHIUSHIH NIENTAI] magazine, that he is already 73; when President Li Teng-hui's term ends in 1996, he will be 77.

"I will not run for the presidency, and nor do I have the slightest intention to," he said during an interview on Sept. 15.

What he is most proud of in his long military career is that he had been the chief body guard of the late President Chiang Kai-shek for five years. Between him and President Li, Hao said there are no "conflict and incompatibility," "nor are there personal grudges."

Soon after he took the post of premiership two years ago, Hao said he took social order as the top priority of his work. "What most dissatisfies me now is the failure to lay a good foundation for the rule of law," he said.

On the military situation across the Taiwan Straits, Hao said it is still "unstable," though both sides have tried to constrain themselves. "If hostility is to be really ended, there must be talks," he told the monthly.

He suggested that Peking imitate President Li's announcement of the termination of the period of communist rebellion in 1991 and take the initiative in announcing its willingness to settle all disputes by peaceful means. As to cross-strait trade cooperation, Hao said it is the "trend of the future" which will only progress and will not retrogress. However, he added, the time of establishing "three links"—direct commercial, postal, and transportation links—between the two sides depends on the development of cross-strait ties and Peking's attitude. For the time being, "we will not consider" setting up the three links, he said.

#### **Opposition Candidates Adopt Joint Campaign Slogans**

OW0110094292 Taipei CNA in English 0801 GMT  
1 Oct 92

[Text] Taipei, Oct. 1 (CNA)—Democratic Progressive Party (DPP) candidates will jointly call for "three antis" and "three pros" during the Legislative Yuan elections in December. The opposition party's Central Standing Committee adopted a 17-point "common political views" Wednesday [30 September] which include oppositions to money power, prerogatives, and military power. The three pros are "tax reduction, direct election (of the president) and sovereignty."

On the nation's foreign relations, the DPP opposes what it calls defeatist "one China" policy, calling instead for a "one Taiwan, one China" policy. The party opposes importing Mainland Chinese workers, saying labor shortages should be solved through improving the industrial structure and working conditions.

It also opposes the use of national development programs to "share illicit profits" by the "special class." "A reasonable national development plan should be mapped out for the country to stride into the 21st century," it says.

The DPP candidates will call for the legislation of a "Women's Welfare Act" which will provide service for pre-school children to improve women's working conditions.

## Hong Kong

### XINHUA Agency Director Celebrates National Day

#### Comments on 'Basic Law'

HK0110103792 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1122 GMT 30 Sep 92

[Text] While proposing a toast at a reception tonight at the XINHUA NEWS AGENCY to celebrate the 43d founding anniversary of the PRC, Zhou Nan, the director of Hong Kong XINHUA, said that now Hong Kong's return to the motherland in 1997 is just over four years away, ensuring Hong Kong's steady transition, stability, and prosperity first requires active participation by Hong Kong citizens. In the meantime, it also requires China's and Britain's strict compliance with the Sino-British Joint Declaration so that work in all fields in the latter transitional period will converge with the Basic Law and a steady transition can be realized. This will really conform with the interests of all social strata in Hong Kong and will also comply with the fundamental interests of China and Britain.

Zhou Nan hoped that, in the coming years, China and Britain will strengthen consultations and cooperation through various channels, including those between himself and Mr. Patten, to make joint contributions to the overall realization of the great historic idea of "one country, two systems."

Zhou Nan said that 1992 had been quite an extraordinary year for China. Early this year, Deng Xiaoping's important southern tour speeches swept the divine land like a spring wind. People up and down the country have further emancipated their minds and exerted themselves, a new vigorous atmosphere has appeared, the momentum of reform has grown markedly stronger, and a new omnidirectional open pattern has taken shape in coastal, border, and hinterland provinces. China's GNP growth rate this year is bound to exceed its target by a wide margin. Now, China has entered a new period of political stability and continuous, speedy economic development. We can predict that the upcoming 14th CPC National Congress will guide people throughout the country in continuing to move forward along the road of building socialism with Chinese characteristics initiated by Deng Xiaoping, in setting up and improving the socialist market economic system, and in striving to push China's economic development a step higher.

Zhou Nan said China has made remarkable achievements in the past year in the diplomatic, scientific, technological, and cultural fields. At the recent Olympic Games in Barcelona, Chinese athletes gained excellent results due to their brave performances. China has joined the ranks of the world's strong athletics countries. We are happy to see that some of the Chinese athletes and coaches who won medals at the Olympic Games, including gold medalists, are attending our national day

reception tonight by invitation. Let us take this opportunity to extend our warmest welcome and congratulations to them!

He believed that Hong Kong, Macao, and Taiwan compatriots, as well as Overseas Chinese will, together with their mainland compatriots, make positive contributions to making a success of China's application to hold the Olympic Games in Beijing in the year 2000.

Zhou Nan added: We are also happy to see that Deng Xiaoping's important southern tour talks early this year have evoked tremendous and warm responses among people from various social strata in Hong Kong, have strengthened their confidence in materializing "one country, two systems" and their morale for participating in social and political affairs, and have encouraged Hong Kong industrial and commercial circles to expand their investments and exchanges with the mainland more actively. Economic cooperation between the mainland and Hong Kong has risen to a new level. The new situation in mainland reform has greatly promoted Hong Kong's development and the common prosperity of both sides. This fact once again proves that the destinies of Hong Kong and the motherland are closely related to each other, are inseparable, and that both sides share weal and woe.

#### Further on Zhou Nan Remarks

OW0110051692 Beijing XINHUA in English  
1422 GMT 30 Sep 92

[Text] Hong Kong, September 30 (XINHUA)—XINHUA NEWS AGENCY Hong Kong branch held a reception here this evening to celebrate the 43rd anniversary of the founding of the People's Republic of China.

More than 2,000 people attended the reception, including local government officials and public figures as well as 34 Chinese gold, silver and bronze medalists at the Barcelona Olympics.

Hong Kong Governor Chris Patten was present at the occasion.

In his toast, director of XINHUA NEWS AGENCY Hong Kong branch Zhou Nan said that 1992 has been a very extraordinary one for the Chinese mainland. The important remarks by Deng Xiaoping early this year during his inspection tour of southern China have spread to every corner of China's vast territory like a spring breeze, he added.

Now, he said, a new and dynamic situation has emerged throughout the country. The magnitude of reform has apparently been amplified as a new pattern of omnidirectional opening-up has taken shape from the coast, the border areas to the inland provinces. China has entered a new phase of political stability, fast and sustained economic growth, he added.

He said that it can be expected that the forthcoming 14th Congress of the Chinese Communist Party will guide the

Chinese people forward along the road of building socialism with Chinese characteristics initiated by Deng Xiaoping, and toward developing and improving a socialist market economy in an effort to uplift China's economy to a new high in the next few years.

He said that it is just over four years to go before 1997 when China will resume its exercise of sovereignty over Hong Kong. To ensure Hong Kong's smooth transition, stability and prosperity, it is essential, primarily, to have the large majority of Hong Kong residents' active involvement, he added.

At the same time, he pointed out that both the Chinese and British sides should strictly abide by the Sino-British joint declaration so that relevant work in all aspects in the latter half of the transitional period can converge with the basic law for a smooth transition.

This not only conforms with the interests of Hong Kong residents of different strata, but also the fundamental interests of China and Britain.

#### **Governor Patten Responds**

*HK0110062692 Hong Kong SOUTH CHINA  
MORNING POST in English 1 Oct 92 p 3*

[Report by Jeremy Lau and Louis Ng]

[Text] Britain and China should work in strict adherence with the Sino-British Joint Declaration and converge Hong Kong's development over the next five years with the Basic Law, the mainland's leading Hong Kong spokesman said yesterday.

This was to ensure Hong Kong's future stability, prosperity and a smooth transition to mainland rule in 1997, said Mr Zhou Nan, the Director of the local branch of the New China News Agency, at a reception to celebrate the 43rd anniversary of the birth of modern China.

Only by so doing, he claimed, could the interests of Hong Kong's different sectors, as well as those of China and Britain, be safeguarded.

Mr Zhou said he hoped the countries could strengthen mutual communications and co-operation through various channels, including the one between himself and the Governor, Mr Chris Patten, in order to contribute to the implementation of the concept of "one country, two systems".

Speaking in response to Mr Zhou's remarks, Mr Patten said he was committed to closer co-operation between Hong Kong and China. Pointing out that there might be "occasions when we disagree", the Governor said he was convinced both sides would "always be able to overcome the disagreements with mutual respect for each other's honour, integrity, and sincerity".

Mr Patten said since he assumed his post, he had been impressed with the closeness between Hong Kong and China. Borrowing a Chinese expression, he described the

relationship as one "between lips and teeth". He added: "What hurts China hurts Hong Kong and what is good for Hong Kong is good for China."

The National Day reception yesterday was the most peaceful one since the crackdown on pro-democracy demonstrators in Beijing on June 4, 1989. About 50 pro-democracy activists continued their annual protest outside the World Trade Centre in Causeway Bay, where the reception was held. The demonstrators demanded the Chinese Government rehabilitate the pro-democracy movement. Except for a brief moment in which four demonstrators broke through police barricades to shout at attending guests, all the demonstrators confined themselves to an enclosed area set up by police in front of a hotel next to the reception venue. Police deployed about 300 officers, including 80 of the Police Tactical Unit. The demonstrators dispersed at about 7.30 p.m.

Meanwhile, a member of the Chinese team of the Joint Liaison Group Airport Committee, Mr Luo Jiahuan, last night confirmed that the Chinese side would consider granting 62 hectares of property development of the airport railway outside the annual land sale programme if it was necessary.

Mr Luo also indicated that it was not feasible to ask the Chinese side to use the Special Administrative Region Land Fund to provide extra capital investment in the airport and its railway project.

#### **Delegates to 14th CPC National Congress Elected**

*HK0110055292 Hong Kong SOUTH CHINA  
MORNING POST in English 1 Oct 92 p 10*

[Report by Kent Chen and Willy Wo-lap Lam]

[Text] Five Hong Kong-based cadres have been elected delegates to the 14th congress of the Chinese Communist Party, which is scheduled to convene on October 12.

They include Beijing's top official in the territory, Mr Zhou Nan, who is the Director of the Hong Kong branch of the NEW CHINA NEWS AGENCY (NCNA). Mr Zhou is also the head of the Hong Kong-Macao Work Committee, a unit which looks after party affiliates in the two territories.

It is understood that other delegates include NCNA Vice-Director Mr Zheng Hua and the vice-chairman of the China Travel Service Mr Ma Chi-man. Mr Zheng is an alternate member of the Central Committee and Mr Ma accompanied patriarch Mr Deng Xiaoping during his trip to Shenzhen early this year. The remaining seats are believed to have been reserved for mainland-funded business enterprises, such as China Resources and the Bank of China Group. The director of the NCNA branch in Macao, Mr Guo Dongbo is one of the two delegates elected to represent party members in the Portuguese enclave.



Political observers say the seven delegates do not stand a high chance of being inducted into the policy-setting Central Committee and that their influence over the party's policy towards the two territories would be limited.

The Director of the Hong Kong and Macao Affairs Office, Mr Lu Ping, is highly likely to be elected to the Central Committee. Mr Lu has become China's key spokesman on Hong Kong affairs but observers said a major decision still had to be made by the senior leadership, including premier Mr Li Peng.

Three Hong Kong-based cadres—former NCNA director Mr Xu Jiatun, former vice-directors Mr Qiao zhonghuai and Mr Mao Junnian—were elected delegates to the previous congresses. Mr Xu retired in early 1990 and left China for the United States without "authorisation." Mr Mao has stepped down due to ailing health while Mr Qiao was posted to Finland as ambassador.

The seven Hong Kong and Macao delegates will join nearly 2,000 representatives.

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